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UNRESTRICTED

*Nationalism and Transnationalism:  
the national conflict in Ireland and European  
Union integration*

Phd.

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## Foreword

This study poses the question of why national conflicts persist in the context of increasing transnational integration. From the early 1970's and especially since the end of the 'Cold War', nationalism has gained increased global significance. At the same time, seemingly hand-in-hand with the upsurge in nationalism, there has been an acceleration in transnational integration.

This apparent paradox is explored in several ways: first by developing a theoretical framework for linking nationalism and transnationalism, second by analysing a particular case of national conflict in its transnationalised setting, and third by investigating the interpretation and re-interpretation of 'national' interests by key political actors.

The case chosen is the national conflict in Ireland in the context of transnational integration in the European Union. In Ireland the two global tendencies - of national division and transnational integration - are focussed to a high degree of intensity. The transnational integrative process is at its most advanced in the European Community which, in 1993, became the 'European Union', one of the most ambitious examples of inter-state and trans-state regional integration to date. The national conflict in Ireland meanwhile, is more deeply entrenched than in any other Western European state and was, until the IRA ceasefire on 31 August 1994, the most highly militarised conflict in Western Europe.

This study suggests that the relationships between transnational integration and national conflict are becoming a defining factor in Ireland's political development and that such relationships also pattern developments in the wider EU. Indeed, to the extent that the process of EU integration is seen as an antidote to nationalism in Western Europe, the impact of the EU in Ireland's national conflict could be interpreted as a test case of EU integration.

**Nationalism and Transnationalism:**  
**the national conflict in Ireland and European Union integration**

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# Introduction

Nationalism and national conflict gained increased global significance with the end of the post-War 'long boom' which sustained economic stability until the early 1970's, and after the end of the 'Cold War' that had dominated the political agenda until the late 1980's. In Central and South-East Asia, in North and Central Africa and in the Indian subcontinent, conflicts over national territory and over national rights, whether secessionist or irredentist, gained a sharpened political profile. In East and Central Europe the 1990's saw anti-bureaucratic - and potentially "anti-systemic" - revolutions subside into nationalism (Wallerstein 1991). "Communist" one party-states disintegrated into their 'national' components or were reconstructed as 'national' party-states (Licht 1992; Lazic 1992). As state elites in Western Europe set about revitalising the transnational 'European Union', they also attempted to strengthen their own national constituencies. Simultaneously, the demands of their national minorities moved up the political agenda. Confronted with these developments, some began to suspect that "what lay hidden beneath the European carpet" of Communism in the East and anti-Communist unity in the West, was a plethora of exclusivist and "irrational" ethnic identities that are only now finding their full expression (Nakarada 1991).

Seemingly hand-in-hand with the upsurge in 'national' and 'ethnic' conflict, trans-national integration accelerated in the 1970's and 80's, and especially after the thawing of the Cold War. The impact of such integration on nationalisms in their 'official', state forms as well as in their secessionist or irredentist forms, has become a central question of European political development. Transnationalism has often been seen as a cure for national conflict, whether between 'national' states or at sub-state level between secessionists and multinational states. But experience in the last decade of the twentieth century appears to refute this expectation. It suggests that, at least in the current historical period, the relationship between the two phenomena is not inverse, with nationalisms and national conflict diminishing with the advances in transnational

integration. On the contrary, they appeared to be mutually reinforcing, perhaps two sides of the same coin.

This study poses the question of why national conflicts persist in an increasingly interdependent, internationalised world, and how they interrelate with increasing transnational integration. The historian Eric Hobsbawm argues that research is needed into how "national identification, and what it is believed to imply, can change" (Hobsbawm 1992:11); and the focus of this research is on the processes of redefining, realigning or dissolving national conflict in the increasingly internationalised context. This is explored in several ways: first by developing a theoretical framework for linking nationalism and transnationalism (Section 1), second by analysing a particular case of national conflict in its transnationalised setting (Sections 2 and 3), and third by investigating the interpretation and re-interpretation of 'national' interests in the ideological and rhetorical discourse of key participants (Section 4). Throughout there is a focus on conflicts between the apparently competing tendencies of nationalism and transnationalism in order to highlight the "contradictions within the existing order, since it from these contradictions that change could emerge" (Cox 1987:393).

The case chosen is the substate national conflict in Ireland in the context of transnational integration in the European Union. Here the contradictions are particularly marked. The transnational integrative process is at its most advanced in the European Union while the national conflict in Ireland is more deeply entrenched than in any other Western European state. The Republic of Ireland and Northern Ireland as part of the UK since 1973 have been members of the European Community (EC) and in 1993 the EC became the "European Union" (EU), one of the most ambitious examples of inter-state and trans-state regional integration to date. The national conflict in Ireland was, until the IRA ceasefire on 31 August 1994, the most highly militarised conflict in Western Europe. The case study does not attempt to analyse post-ceasefire tendencies, but with the end to 'armed struggle' the national conflict has not ceased to be the dominant factor in Northern Ireland political life and has not ceased to occupy a central space in the politics of the Republic and of the UK.



In Ireland then, the two global tendencies - of national division and transnational integration - are focussed to a high degree of intensity. This study suggests that the relationships between transnational integration and national conflict are becoming a defining factor in Ireland's political development and that such relationships also pattern developments in the wider EU. Indeed, the process of EU integration has been interpreted as an antidote to nationalism in Western Europe and the impact of the EU in Ireland's national conflict could be interpreted as a test case of EU integration.

The remainder of this introduction outlines the objectives of the study, its general structure, and the main research methods employed.

### *Objectives*

The logics (or perhaps illogics) of nationalism and transnationalism are sharply exposed in Ireland and it provides a useful case study of their wider inter-relationships, illuminating broader theoretical issues as well as highlighting empirical tendencies in the EU and Ireland. Two main issues are involved. The first is empirical and concerns the specific circumstances of the national conflict in Ireland and its interrelationships with transnationalism. The second is more theoretical and focuses on integrating theories of nationalism with theories of international relations. These translate into the following objectives.

#### *Empirical objectives*

The relationships between the national conflict in Ireland and broader changes in international politics have been under-researched. In most analyses of the conflict the scope of research is restricted to relationships within Northern Ireland, or within Ireland and Britain. Only rarely have the interconnections between the conflict and the framework of international society been examined. Yet, as Adrian Guelke points out, the conflict is predicated on the existence of 'national' state sovereignty and re-

orientations in global politics are likely to have a crucial impact on it (Guelke 1988:205).

Since the early 1970's and especially since the end of the 1980's there has been a major dis-orientation in international politics. The advent of a globalised "disorder" in international politics after the demise of the Cold War and the shift away from bipolarity, together with the acceleration of global economic integration has led to a sharpening of *inter* and *intra* regional conflict. *Inter*-regional economic competition in an increasingly integrated industrialised 'West' has generated a fear of vulnerability, that in turn, has fuelled a process of defensive *intra*-regional integration. This has been most developed in the EU, which has been described as the world's first "confederal public power", in which there has been a significant "unbundling" of state sovereignty (Thompson 1993; Ruggie 1993:168-174).

Transnational integration has a political dynamic of its own, that is not reducible to inter-state politics. As a result, it challenges the state-centred constitution of EU politics. In contrast with international integration, which by definition is dominated by national states, transnational integration encourages the creation or strengthening of non-state sources of political power. While 'inter-national' integration primarily bolsters 'inter-governmental' organisations, transnational integration tends to strengthen non-national, regionally defined bodies. Such regional bodies may exercise power 'above' states, as 'global' - "macro" - regions or they may exercise power 'below' the state, as local or urban - "micro" - regions (Cox 1992b:34). Such bodies define transnational forms of politics - by constructing alliances between substate regions, between global regions and across the "macro" / "micro" distinction - to express their transnationally-defined joint interests. As such transnational integration - as opposed to international integration - accelerates, a political configuration begins to emerge in which the state is a central but by no means the central actor.

Within the EU states have responded to transnationalism by constructing a transnational political authority that is founded on national states but is relatively autonomous of them. This 'in-betweenness' is symptomatic of



the EU and reflects a wider shift in global politics towards transnational political relations in the continuing context of national state sovereignty. This raises a question-mark over the federalist aspirations in the EU - and indeed in other, notably weaker regional conglomerations of public power such as NAFTA, APEC, ASEAN, the OAU, and the Arab League. Perhaps the current uneasy combining of regional integration and state sovereignty will remain the dominant tendency. Perhaps what we see is what we get.

These shifts in international politics and particularly the emergence of the EU as a global actor, have a substantial impact on the 'national' state and at least on the face of it, have an impact on national conflicts such as in Ireland. The tensions between increased transnationalism in many aspects of socio-economic life and the system of sovereign 'national' states, is forcing a reconstitution of 'national' state authority and, of crucial importance here, perhaps also of nationalist political practices and ideologies.

The interaction between these two conflicting trajectories in Ireland's national conflict forms the central empirical theme of this study. Analysis of the inter-relationships between the national conflict and the changing framework for international politics is central to an understanding of the historical and contemporary potential for resolving such conflict. Recognition of the significance of this dimension to socio-economic development in Ireland is reflected in the increased attention given to the issue, particularly by economic researchers since the completion of the 'Single European Market' (SEM) in 1992 (See O'Malley 1993). While building on these debates, the empirical concerns of this study are more explicitly political, and attempt to trace the political tendencies embodied in the process of transnational integration in the EU and their implications for the national conflict in Ireland.

### *Theoretical objectives*

These empirical issues are reflected in the theoretical objectives. It is argued that the relative lack of empirical material examining the inter-relationships between Ireland's national conflict and tendencies in

international politics reflects a more general under-theorisation of the interrelationships between nationalism and international relations.

Analysis of nationalism tends to focus on the emergence or construction of the 'national' community from 'within'. The politicisation of common cultural markers - such as language or religion - and their role in defining the 'nation' for nationalist politicians - are generally seen as an outcome of internal processes. The wider international dimension is rarely addressed. Similarly, theories of international relations are biased towards the analysis of states in the international system. The domestic conditions of political mobilisation may enter into the equation of a state-centred view of global politics but rarely do they enter as objects of study. Nationalist ideology is interpreted as a factor that can undermine or strengthen the unity of the state, but its causes and its changing logic are rarely related to the logic of international politics. Consequently there is a wide gulf between theories of nationalism and theories of international relations. Both tend to define nationalism as an internal, domestic matter while the concerns of international relations are defined as external and global.

This theoretical distance reflects the attempt, in international relations theory, to define a clear boundary between itself and political theory. As Robert Walker points out, "students of international relations are disciplined to think of the realities of relations between states as fundamentally different from life within states and to repudiate hopes for a future free from the tragic identities of power politics" (1993:47) (1). The "bald assertions consistent with ahistorical claims to state sovereignty" of the dominant 'realist' strand of international relations theory "have been accepted too easily as a substitute for a properly theoretical account of the state as an historically constituted and constantly reconstituted form of political life" (Walker 1993:46).

There are strong inter-relationships between the 'national' community and the 'international' system. Indeed, the two are inter-dependent - nationalist aspirations provide mass political legitimation for the international states' system and by definition, nationalism would give way to communalism, regionalism or cosmopolitanism if states were to cease to

exist (Mayall 1993). In purely practical terms, the empirical examination of the interrelationships between the two processes in Ireland requires that such linkages be theorised. Hence the central theoretical objective of this study is reduce this gulf between the two bodies of theory, integrating elements from both to develop a theoretical framework for the empirical investigation of the international political economy of national conflict.

### *Structure and methods*

These empirical and theoretical issues are investigated through theoretical analysis, through the discussion of historical and contemporary tendencies and through the analysis of discourse. These four, complementary elements are organised into four Sections.

Section 1 constructs a theoretical and methodological framework for studying the inter-relationships between nationalism and transnational or international integration. Chapter 1 offers a critique of theories of nationalism and Chapter 2 of international relations theory. This is followed by an outline of an analytical framework, in Chapter 3, which integrates these two bodies of theory and identifies three distinct but inter-related strands of analysis - material interests, ideological conflict and state or public policy -which are used to help structure the case study.

Section 2 uses this framework to investigate the historical context of Ireland's national conflict, and the development of EU integration. Chapter 4 focuses on material interests, ideological conflict and states policies in the national conflict, assessing the competing pressures for North-South regional convergence and for North-South national divergence in Ireland (2). In Chapter 5 this same analytical framework is used to examine the competing pressures to regional integration and to national division in the EU.

Section 3 attempts to bring these analyses together, highlighting the impact of EU integration on the national conflict since 1973, focussing on the late 1980's and early 1990's. Chapter 6 maps out the impact of EU integration



on material interests, North and South in Ireland. Chapter 7 analyses of the shifting context for ideological conflict. Chapter 8 discusses the changing framework for state and public policy, including the policies of EU and substate bodies as well as the two states.

Section 4 attempts to step beyond the 'structural' analysis developed in the previous two Sections. It identifies how the relationships between Ireland's national conflict and the process of EU integration are conceptualised by politicians and officials who are directly engaged in responding to it at the EU level and in Northern Ireland. Chapter 9 outlines the consensus that emerged in the 1990's on the need for North-South socio-economic cooperation in the context of EU integration amongst politicians and officials at the EU level and amongst politicians in Northern Ireland. Chapter 10 contrasts this relative consensus with disagreement on the impact of EU integration on states' sovereignties and on the conflict. Chapter 11 brings these two elements of analysis together to examine how the competing logics of transnational integration and national conflict are reconciled, leading to an adaptation and realignment of national conflict in the context of increased transnationalism.

Finally there is a concluding Section that outlines how far the study has met its empirical and theoretical objectives (Chapter 12).

Overall, the theoretical framework is given priority, recognising that all research is necessarily theory driven, (Layder 1993:179). The analytical framework constructed in Section 1 is derived from Gramscian theories of socio-political change, developed by Marxist influenced theorists of global politics such as Robert Cox (Gramsci 1971; Cox 1987). It is argued that the forces of production are leading to a process of globalisation while ideological and institutional relations remain orientated largely to a state-centred model. The analytical framework focuses on this contradiction as it is manifested in economic tendencies, ideological dilemmas and in state or public policy. In doing so, it highlights opportunities for social mobilisation and political change.

This requires analysis of societies' historical and contemporary tendencies - presented in Sections 2 and 3 - it also demands analysis of how political actors respond to these tendencies. This interest in the 'agents' that bring about political change as well as in the 'structural' tendencies that make it possible, is reflected in the analysis of interview discourse presented in Section 4.

This allows an intermixing of the various strands of theoretical, historical, contemporary and discourse analysis in the process of research, allowing each to mutually inform each other. Official documents and secondary material were used to develop the historical analysis in Section 2. This was complemented by a newspaper survey to continue analysis of the research problem up to the end of August 1994 (the date of the IRA ceasefire) for Section 3. The arguments in these Sections were developed in tandem with the conduct and analysis of interviews for Section 4, allowing at two-way traffic in concepts and assumptions between the two bodies of research. The arguments and justifications exposed in interviews were used to shape the direction of historical and contemporary analysis and vice versa. At the same time, the theoretical implications of this analysis were used to develop responses to the theoretical questions (See Appendix 1 - Methodology).

Overall, this structure and method of enquiry is deliberately driven by theory and directed at defining political options - a 'critical-theoretical' approach that is an alternative both to over-schematic positivism and to 'anti-essentialist' relativism. The process of repositioning or redefining nationalisms and states in the context of transnational integration has the potential to open up new opportunities for political change, which, it has been argued, are building the foundations for social transformation as forms of social struggle are realigned in new ideological alliances founded on broader transnational solidarities (Cox 1992b). This investigation draws on the experience of Ireland in the context of EU integration to examine these realignments and to highlight their implications for social struggle.

## Notes

(1) I had personal experience of this disciplining process while studying for an International Relations degree at the London School of Economics. My Bsc. Dissertation - *A comparative study into the causes of nationalism: the PNV and ETA in the Basque Country* - was only accepted after intervention by my tutor. It was argued that the study of nationalism was not an appropriate topic for a dissertation submitted to an International Relations Department and in the following year the Departmental regulations on the admissibility of Dissertations were tightened.

(2) 'North' and 'South' are used as abbreviations for 'Northern Ireland' and the 'Republic of Ireland'. North and South appear in the lower-case where, in Chapter 4, they refer to pre-Partition northern and southern Ireland.

# Section One

## Theoretical Perspectives

### *Section Introduction*

This Section surveys theoretical perspectives on nationalism and international relations (Chapter 1 and 2) and brings together elements of each to create a framework for understanding relationships between nationalism and transnational integration, establishing an analytical framework for the case study (Chapter 3).

A theoretical survey is useful as the main theoretical approaches have a bearing on the political positions adopted in Ireland's national conflict and in EU institutions. Many political initiatives in the national conflict and at the EU level reflect theoretical assumptions about the nature of national conflict, or the nature of international relations, or both. Hence the theoretical positions outlined here are more than reflections on political or social practice: they themselves have often served to inspire, legitimate or justify political and social action and play a constant role in political developments. Hence, Chapters 1 and 2 provide some essential background to the historical developments discussed in Section 2 and contemporary debates discussed in Sections 3 and 4.

Also each of the two sets of theories are assessed to build up an analytical framework for the simultaneous analysis of national conflict and transnational integration. The two bodies of theory are integrated into a model that can serve as a working framework for the analysis of national conflict in its transnational context which then guides analysis in the subsequent Sections.



This second objective requires a set of criteria for evaluating the usefulness of the theoretical approaches. The key criterion is that they should take into account transnational and international factors. If the theory is premised on the specific domestic circumstances of nationalism and focuses on these as its central explanatory variables then it is unlikely to assist in the analysis of the inter-relationships between nationalism and transnational integration. Similarly, the usefulness of international relations theories will be assessed according to their ability to take into account developments within 'national' societies as well as in global politics. Those, for instance, that take domestic societies as a given and focus only on the actions of states in transnational or international society would be of limited use for the purposes of this analysis, as would those focussing on a particular policy dimension of global politics - such as state security or economic development.

The intention is to build a theoretical perspective that integrates the 'national' and the 'transnational' into the same theoretical 'movement'. 'National' conflicts are simultaneously defined in a transnational and a 'national' framework and reflecting this, neither can be treated as exogenous. The *ceteris paribus* assumption that the transnational does not impinge on domestic society, or vice versa, allows a theoretical abstracted focus on one or the other that distorts the everyday experience that both are simultaneously constitutive of political and social change.

This criterion also dictates an emphasis on the dynamics of political or social change and on the reproduction of transnational and national themes rather than on their initial origins. Ahistorical theories of the origins or genesis of national identification or of the interstate or transnational system and of their unchanging qualities can, in fact, obstruct the process of developing a theory of their current tendencies.

Some of the theoretical perspectives - for instance, the 'ethno-nationalist' approach to nationalism and the 'realist' approach to international relations - are presented to meet the first objective of the Section. The perspectives are categorised into theoretical 'schools of thought' and assessed to identify components that would assist in building an analytical



approach to national conflict in a transnational setting. Thus Chapter 1 discusses theories of nationalism beginning with the most domestically-focussed and ending with the most internationally-focused. Chapter 2 examines international relations theory beginning with the most internationally-focussed and ending with the most domestically-focussed perspectives. Chapter 3 attempts to weave these components into a workable framework for analysis.

# Chapter 1

## Theories of nationalism

Much of the theoretical work on nationalism ignores the wider context of transnational globalisation and inter-state integration. The wide variety of theories of nationalism and national conflict can be categorised into five broad approaches, each of which is defined by a particular set of assumptions about the dominant forces in society.

The five broad strands of theory are: 'ethno-national' theories such as those developed by Anthony Smith (1988) which emphasise the communal ties of ethnic identity as a determining factor in the development of nationalism; second, 'modernisation' theories developed by Karl Deutsch (1966) and Ernest Gellner (1983) which explain the emergence and persistence of nationalism in terms of the specific requirements of modern industrial society; third, 'state-centred' approaches, illustrated by the work of John Breuilly (1982), which link nationalism to the demand for popular sovereignty and to the emergence of the modern state; fourth, 'class-centred' approaches which emphasise the class-base of national movements whether ruling class nationalisms, in the work of Eric Hobsbawm (1992), or the nationalisms of oppressed classes in Samir Amin (1980) and Jim Blaut (1987); and fifth, 'uneven development' theories which examine nationalism's roots in uneven capitalist development from the absolutist state to the present day, developed in the work of Benedict Anderson (1991), Charles Tilly (1993), Miroslav Hroch (1985) and Tom Nairn (1977).

Each perspective is outlined and there is some discussion of their implications for the national conflict in Ireland and for EU integration. This provides some theoretical backdrop to the historical account in developed Sections 2 and 3 and to the discussion of interview material in

Section 4. In addition, each theoretical perspective is assessed according to the broad criteria outlined in the Section introduction above, as to whether they can assist in the analysis of national conflict in a transnationalised setting. The five broad approaches are examined in turn, beginning with those most focussed on the internal dynamics of nationalism.

### *'Ethno-national' theories*

The 'ethno-national' approach forms the main, if not dominant, strand in interpretation of nationalism, both for political actors and for political commentators. The analytical framework which is developed in Chapter 3 does not draw on these theories, but their importance in political life merits detailed exposition of their arguments.

Theories stressing the 'ethnic' components of nationalism claim to explain the affective, subjective power of nationalism, while, it is argued, other 'instrumentalist' approaches only explain its 'objective' conditions. For Smith, nationalism is an ideological movement for "attaining and maintaining autonomy, unity and identity on behalf of a population deemed by some of its members to constitute an actual or potential nation" (Smith 1991b:73). He focuses on the cultural or "ethnic" elements of nationalism which are seen as the "premodern ethnic core", the "baseline" for national mobilisation (Smith 1991b:40,71). These emotional ties of ethnic solidarity are seen as having "their own rhythms and properties" prior to and independent of less *affective*, more *effective* socio-political relations. Hence, conflicts between classes, states or ethnic groups, are seen as establishing the structure or "form" of ethno-nationalisms while more emotional ethnic ties constitute their culture or "content" (Smith 1988).

For Smith, ethnic revival is at the heart of every nationalism, offering an ethic of political legitimacy that defines the mass of people within the "culture-collective" as subjects rather than objects of history. It is argued that the ethnic categories that define nationalism - pre-modern ancestry, geneology, and a common cultural history - exist independently of ethnic communalism and can lie dormant for long periods of history. In contrast, the "catalysts" of nationalism, such as the transition from absolutist states

to 'scientific' states or the transition from a divinely-ordained to a rationally-ordained social order, are historically contingent and are seen as stimulating ethno-national revivals, but only if they sharpen divisions between pre-modern ethnic identities (Smith 1991a:129).

Nationalist mobilisation is seen as centring on a dualism between impersonal socio-political change that establishes horizontal social categories and more subjective affiliations to vertically defined 'ethno-national' communities. For Smith, a disaffected intelligensia is invariably at the centre of this dualism forming the "social spring of ethnic nationalism" it suffers "group anxiety" about the survival of ethnic distinctiveness in the face of an all-encompassing, overlord state (Smith 1991a:108,135). Since the Enlightenment era the intelligensia is seen to invest its energy in "scientific", rather than divinely ordained state structures. Inefficient and corrupt state structures prove to be far from "scientific" and in fact shore-up vested interests and give political meaning to ethnic differences. In these circumstances the modern state can only generate 'national' loyalty if it is congruent with the 'ethno-nation'. Unless the state reflects "the basic division of mankind, in most times and places into separate cultural communities of history and destiny", it will be doomed to instability and possibly fragmentation (Smith 1988:17).

Smith's approach then, stresses the role played by an intelligensia able to rediscover an ethnic past and define a vernacular communal nation against bureaucratic incorporation into a state-sponsored nationalism (Smith 1991a:133). Three waves of 'ethno-nationalism' are identified. The first, in the nineteenth century was mobilised against imperial, autocratic states and had at its core a politicised cultural self determination linked to the doctrine of national popular sovereignty. The second, in the mid twentieth century, followed a wave of anti-colonial nationalism and was directed at the newly independent ex-colonies. In its third manifestation, ethno-nationalism breaks out in 'western' liberal democracies. Post-war state interventionism acts as a "powerful catalyst" in this: the over-production of professionally and technically trained intellectuals; the weakness of the central state following the success of anti-colonialism; and the failure of liberal democracy to institutionalise substate regional



conflicts, are seen as disorientating the 'regional' intelligensia, especially those working in the metropole, who often suffer direct discrimination in the "cultural dams" of the metropolitan labour market, leading them to "search for their hidden inner self in the communal past" (Smith 1991a:144, 1981:30). While the alien bureaucracy rejects them, the 'ethnic' community welcomes them in a fulfilling and dynamic role at the forefront of movements of ethnic regeneration.

This 'ethno-nationalist' approach has both empirical and theoretical weaknesses. In empirical terms, it cannot account for the success of state-led national mobilisation and tends to ignore these often spectacularly successful forms of 'official' nationalism (for instance in Britain). 'Premodern' cultural identity or 'ethnicity' may have played a significant role in secessionist or separatist "ethno-nationalisms", but it is difficult to see how this argument holds equally for state-centred nationalism.

Furthermore, and very significant for the purposes of this study, the model de-emphasises interstate or trans-national factors in the development of nationalism. It is seen primarily as an internally generated phenomenon, emerging in the context of post-Enlightenment secularism and "scientific" state formation. Smith argues that transnational developments such as the expanding conditions of global communication, increased porosity of 'national' societies, the growth of functional integration are too technical to draw popular loyalty. Similarly, global social divisions generated by the process of capital accumulation, stressed by Marxist influenced interpretations, are seen as catalysing nationalisms only if they create divisions that are contiguous with pre-modern ethno-national divisions. Even if they come to dominate national life, transnational structures will not necessarily generate transnational cultures. On the contrary, as ethno-national communities react to the process of globalisation, seeing it as a form of cultural imperialism, threatening the survival of ethno-national identity, national divisions become more, not less salient (Smith 1990).

This telescoping of history back to one causal, pre-modern element betrays more fundamental theoretical flaws in the model. By according ahistorical priority to ethnic categories as the "building blocs" of nationalism, 'ethnic'

ties are granted an independence "with their own rhythms and properties" (Smith 1990). Such elements as a common ancestry, common myths, memories, cultures and homelands added together, cluster a population behind a "resonant ethno-history" (Smith 1981:67,137). The 'nation' becomes defined simply as a "self conscious or self aware ethnic group" as the "comforting warmth" of these ethnic bonds is seen as persuading whole sections of the population - who may have no objective interest in the nation - to muster behind the nationalist flag in defence of the "ethno-nation" (Ma Shu Yun 1990:529).

To be accorded this central role in generating national consciousness, ethno-culturalism has to be granted its own logic, independent of class interests, interstate conflict and even inter-ethnic competition (Smith 1990). There is a degree of circularity to this claim, not least because the concept of 'ethnicity' is itself socially conditioned. By assuming that ethnic bonds are an independent, essential part of the human experience, the approach avoids having to explain the persistence of ethnic division: a firm distinction is constructed between 'subjective' and 'objective' realities, an organic, irreducible role is accorded to ethnic ties within the nation and it is pigeon-holed firmly in the 'subjective' realm.

This non-explanation has been extended into a peculiar adaptation of social Darwinianism that links the survival of ethnic diversity - or the "right to roots" - to the future of the human species (Watson 1990:213). A false distinction is drawn between 'lived' and 'abstract' communities, in which the former is given a clear priority in shaping the 'national' identity, betraying a retreat into lay-psychology or, worse still, lay-biology, in the face of social complexity. In the same vein, the subjective appeal of nationalism - which has been described as a "Neitschean virus of belief in its rightful and necessary superiority in a given territory" (Watson 1990:203) - has been explained in terms of a "primordial" ethnic instinct (Douglas 1988; Kellas 1991); while for others, the "deification of the nation" has filled a spiritual "void", as all 'national' territory is transformed into sacred land, regardless of its 'objective' value (Porter 1982:59).

This proposition - that nationalism is in essence a form of atavism - has been condemned as "utter nonsense" (Gellner 1964:149). It creates an almost hermetically sealed 'subjective' world with an internal logic of its own and consequently fails to explain how the boundaries of ethnic consciousness are selected and are changed. The supposed subjective need for ethnic attachment has little explanatory power in a world where the fate of ethnicity has more to do with social change than with timeless loyalty. To assert that the elements of ethnic identity have an enduring, linear existence is to ignore the ways in which even the seemingly irreducible elements of ethnic identity - linguistic differentiation for instance - have been transformed over time. The contemporary boundaries of "ethnic nations" are constantly being redefined, a process that has killed off as many "ethnic identities" as it has sustained (Connor 1984).

Hence the concept of 'nation' must be liberated from the ethnic ties which may be linked to it but do not determine it. Other approaches to nationalism, discussed below, which Smith categorises as 'instrumental' and investigate the societal and international context of nationalism, are more appropriate to this task.

In terms of dominant political assumptions, actors in Ireland's national conflict and in EU institutions draw heavily on the 'ethno-nationalist' reading of society, despite its empirical and theoretical inadequacies. They are often, for instance, uncritically used to justify political positions and social action that would otherwise have very little legitimation. Peoples are defined by their membership of 'ethno-national' communities rather than as the subjects or citizens of states and the membership of this constructed community extends to all those whose 'ethnicity' meets supposedly timeless, long established criteria. These 'ethnic' identifications are seen as constant and unchanging, so providing universal and permanent ideological support to political positions.

In other instances such 'ethnic' attachments - often defined in a pejorative way as the mass attachments of the 'mob' - are regrettably cited as constraints on political change, thus justifying inaction from actors who formally are committed to political change. In this 'liberal' version, for



instance in the 'Wilsonian' vision of the post-1919 world order, tensions between the 'warring tribes' must be minimised as far as possible by allowing state political borders to match pre-modern ethnic attachments. Where this is not possible the 'inevitable' conflicts must be minimised through equal rights and respect for different 'ethnic' 'traditions'.

In both versions, national conflict is seen as an unfortunate but inevitable consequence of the human condition. As a recipe for inaction it is a political tool for the powerful rather than for the powerless and as is illustrated in Section 3 and 4, it has a particular hold both in Ireland in EU institutions.

### *'Modernisation' theories.*

The 'modernisation' approach of theorists such as Gellner (1983, 1987) and Deutsch (1966) emphasises the role of socio-economic factors in the emergence of national identity and focuses on the process of industrial modernisation, suggesting that this not only leads to but also requires the emergence of 'nations' affiliated to 'national' states. Unlike 'ethno-nationalist' interpretations, this 'modernisation' approach is useful for developing the theoretical framework discussed in Chapter 3, although it is less important amongst political actors.

Gellner is highly critical of the approach which ascribes 'atavistic' motivations to nationalist movements, and recently he has dismissed notions of "sleeping beauty nations" in post communist Central and Eastern Europe (Gellner 1992:128). He rejects the idealist, Kantian duality between life and reason, or between identity and rationality on which this approach is often based. Instead he outlines a more socially rooted dualism between social structure and cultural identity (Gellner 1964:149). This dualism draws heavily on theories of communication in modern industrialised societies - in particular, Deutsch's distinction between *effective* and *affective* communication. The modern growth in functional, *effective*, communication leads to greater functional interdependence. This "static" quantitative increase in communication, such as transport, radio and telecommunications is patterned by the affective - or "cybernetic" -



channels of culture and values. As these relative cultural differences act as barriers to communication they become "national" markers and play a central role in the formation of national loyalty (Deutsch 1966:38).

Gellner fleshes out the inter-relationships between these two forms of communication. Where social assimilation of the citizenry in the name of a 'national' state fails, this occurs along lines of *affective* cultural difference. These differences embody cultural meanings which acquire heightened significance in the face of growing functional communication. These elements of cultural difference generate social division and fragment the state-centred 'national' community into oppositional nationalisms. Consequently, the greater the need for cultural homogeneity, the greater the political and social fall-out from persisting cultural divisions. The less that society is socially structured - in effect, the less a social system supplies a "niche" for each of its members - the more necessary are the personal and cultural aspects of identity. As social status and personal identity become less ascribed and less derived from birth or 'social station', culture acquires a necessary and overarching significance (Gellner 1964:154).

This emphasis on the socio-institutional elements of society and on their interaction with the need for 'culture' allows Gellner to combine the objective and the subjective conditions for national mobilisation in an interactive, historical framework (Connor 1986). Under feudalism social structure determines life paths, making cultural identity less necessary. Under industrialism social structures that inhibit labour mobility are eroded to make 'citizens' mutually substitutable in a literacy-sustained "musical chairs society", increasing the importance of culture and of nationalism. So "agrarian civilisations do not engender nationalism but industrialism and industrial societies do" (Gellner 1983:18-23).

National affiliation emerges as the central state responds to the "distinctive structural requirements of industrial society" (Gellner 1983:37). The 'national' state supplies the communal focus for this dis-aggregated, mass society. It maintains labour market mobility by claiming monopoly control of the national education system and maintains social stability by

homogenising a 'national' culture. Doctrines of popular sovereignty define the 'national' citizenry as the only source of political legitimacy in the emerging 'nation-state'. Rulers and ruled merge into a single, 'national', cultural-historical continuum which is placed in a world divided into other national communities in a "universal ordering of mankind" (Gellner 1983).

The 'national' state compensates for the depersonalised forces of industrialism, offering a re-socialisation into an imaginary nation. The dissolution of social structures under industrialism requires the creation of a national culture wedded to the state - nationalism then, is a "genuine, objective, practical necessity" of industrialism (Gellner 1964:64). This helps to explain why the emerging proletarian citizenry as well as the bourgeoisie and the intelligensia define themselves as part of the national community, despite not having such an equally direct interest in nation-forming. The model also has the advantage of both accounting for integrative, 'official' nationalisms and disintegrative separatist nationalisms. The central state's attempts at building 'national' unity may be threatened by the spatial unevenness of industrialisation and by pre-industrial cultural differences which have the potential to be transformed into sub-state 'national' divisions. If it actively discriminates against those defined as being outside the "core" social groups - in effect as being from the social "periphery" - the existing state apparatus gives political meaning to "peripheral" attachments at a time when its significance to cultural and social life is increasing, in effect sowing the seeds of its own destruction - or at least its destabilisation.

The process of industrialism that generates the dualisms between cultural identity and social structure is seen as linear and relatively benign. Societies pass through phases of early, late and very late industrialisation, a series of stages reminiscent of the modernisation theories of Rostow (indeed, the debt is attributed in Gellner 1964:167). A multiplicity of different national communities emerges as the different waves of industrialism affect different societies at different times. As societies are at different stages of industrialisation and of national assimilation, there is a wide range of nationalisms - reflected in the variety of national cultural

markers, of types of nationalist support base and of nationalist political practice.

As societies move in common towards advanced industrialism, it is suggested that there will be increasing convergence in international political relations, fuelled by closer inter-national interdependence in a process of transnational industrialisation that will diminish the significance of national division and lead to federal independence (Gellner 1992). A more pessimistic reading would suggest that the fragmentation of global society into 'national' states is a necessary consequence of industrialisation - not just of its current phase - effectively validating a 'national-state' centred version of international politics. Gellner appears to lend support to this interpretation in his criticisms of modernity - seeing it as amoral, inhuman and devoted to the mechanical accumulation of income rather than to the more affective development of humankind, and for him, nationhood offers a possibly necessary compensating ethic of 'national' progress (Gellner 1987).

Overall, the 'modernisation' model serves a useful purpose, as it directs analysis towards the social conditions under which nationalism emerges. Nonetheless, it relies on over-schematic concepts of industrial growth and social transformation. Consequently, it is not especially useful in explaining the on-going dynamics of national movements in advanced industrial society. Also, as it explains nationalism in terms of the domestic requirements of industrialism, its implications for transnational politics are at best incidental. It does not integrate trans- or inter-national dimensions with a domestic perspective, and consequently fails to meet one of the central objectives of this enquiry.

Furthermore, the modernisation perspective tends to analyse the form rather than the content of industrialism and, like the 'stages' theory developed by Rostow, it tends to ignore the social context of industrial development. It is difficult to view industrialism as a relatively value free, non-conflictual process that simply reconstitutes societies behind 'national' states and defines individuals as 'national' citizens. Industrialism creates social divisions of its own which may play a more central role in the



development of nationalism. Similarly, it is difficult to view the state as a largely interest-free tool of economic development. This raises the question of whether it is indeed, 'industrialism' that requires national homogeneity and whether there may be other equally significant elements leading to the emergence of 'national' societies.

In terms of its role in shaping political perceptions in Ireland's national conflict and in EU institutions, this 'modernisation' approach has had some influence, although this is more limited than the 'ethno-nationalist' interpretation. Although only implying assumptions about the role of nationalism, linkages are often drawn between versions of 'national' destiny and the specific requirements of an industrialised society. Concepts of the 'national' economy and of 'national' state-led management of the economy, of education, or of social provision are employed by many and varied actors in Ireland's national conflict. The need for a 'national' modernisation, of innovation, of education, or of training is often presented as the central plank in a 'national' programme; again, these are further investigated in the third section.

### *'State-centred' approaches*

Approaches that take a state-centred perspective on nationalism are more useful for building a theoretical framework linking nationalism and international or transnational relations. They are also, to a greater extent, are drawn on by political actors. Nationalism is seen as emerging out of the central role played by the modern state in domestic and international society. Contrary to arguments about the role of the state in an industrialising society, as suggested by 'modernisation' theory, 'statist' theorists argue that the state and the system of states have an internal logic or autonomy of their own. For writers such as Breuilly, who stress this aspect, nationalism is primarily an ideology that links civil society to a territorially bounded state claiming universal "boundless" power over the 'public life' of its citizens (Breuilly 1982:356).

Consistent with the argument that the state plays a central role in generating and maintaining nationalism, Breuilly argues that nationalist

movements have no particular class basis. Against theories which stress the role of a disaffected intelligentsia in the formation of national movements, he argues that classes are very often internally divided on 'national' issues. For example, middle classes may be divided into a national middle class often based in heavy industry and an internationalist mercantile middle class, whilst the petit-bourgeoisie entrepreneur class may tend to be more clearly orientated to a 'national' or local framework. The working class can also be divided, with the skilled 'labour aristocracy' likely to be the most clearly committed to the national state as it is usually engaged in national wage bargaining and for the most part its political demands are locked into the legitimacy of the existing national political order. Other sections of the working class may not be so orientated to the national state despite its delivery of welfare and other merit goods. Amongst white-collar workers, state employees may maintain loyalty to the national state while professionals are likely to shift their loyalty according to the conditions prevailing within the national bureaucracies. Finally, intellectuals may adopt a nationalist position - particularly if excluded from access to power in the existing state bureaucracies (Breuilly 1982:322). For Breuilly it is the agglomerations of class fractions which form the 'national' constituencies of 'national' states. The source of nationalism cannot necessarily be located in any particular class. Rather, it has to be located in the nationalist ideology which links society to the state and asserts the uniqueness of the particular 'national' community. This nationalist doctrine of political legitimacy links political sovereignty to the national citizenry and collapses the nation, the society and the state into a single political configuration that defines and pursues the 'national' interest.

Breuilly argues that three aspects of the development of the state were centrally important for the emergence of nationalism. First, the groundwork of national communal identity was laid with the extension of institutional co-ordination and state authority. Monarchical power, tempered by some limited oligarchic participation led to the growth of political structures that defined state territory and its people and gradually unified them behind a national ideology. Second, this national ideology began to acquire a mobilising as well as a co-ordinating role. This coincided



with the growing secularisation of society and with the emerging definition of the state as a public institution in the context of 'private' capitalist development. Competing demands could be made of a secular, 'public' state that could not be made of a divinely ordained, absolutist state. These demands broadened the definition of participation in the now 'public' state which became an institutional expression of societal interests and a focus for political aspiration and mobilisation. Third, the doctrine of popular sovereignty - that the people were sovereign in a territorially bounded national state - was also a central element in the emergence of nationalism. In order to successfully perform its co-ordinating and mobilising functions in the increasingly competitive inter-state system, the 'national' state needed to become part of a 'common sense' political landscape. A commonly held, mass nationalist ideology came to the aid of the state, legitimising its role and transforming it into the institutional expression of particular national interests. Placed in a panoply of other national states, the state became an increasingly particularist public expression of 'private' national characteristics. In this scenario personal and 'private' cultural characteristics became national markers, founded on a mythical version of the past used as a guide to transforming the future, and nationalist ideology became the doctrine of 'public' statehood, leading to the emergence of the 'common sense' nationalist doctrine that mankind is divided up into 'nations' each of which had an inalienable right to national self determination.

This model of nationalism is rooted in the nature of the state and the global system: changes in either lead to changes in the nature of nationalism. For Breuilly the context for the rise of nationalist movements is set by the existing states system. Nationalist strategy, whether it is aimed at reforming the state, separating from it or assimilating into it, is shaped by the nature of the existing state apparatus and by the "system of competing territorial states" (Breuilly 1982:365). The 'nationalist' account of inter-national politics, in which the only limit on state sovereignty is the sovereignty of other 'nation-states', may have reflected the reality of state sovereignty in the nineteenth century but in the post-1945 era, in the context of complex inter-state interdependence, it is increasingly becoming a "hollow sham" (Breuilly 1982:355, 378). But at the same time, as states

have become less important in global politics, they have become progressively more interventionist, leading to a wider dissemination of nationalist rhetoric into virtually every avenue of political life. So for Breuilly, at the same time as nationalism has become less effective in transnational or international politics, it has become more significant in defining previously 'private' realms and has been reduced to a possibly dangerous and "arbitrary combination of emotion and pragmatism" (Breuilly 1982:380).

This perspective on the changing role of states - and hence of nationalisms - is particularly useful for the purposes of this investigation. Nationalism and the state are seen as closely interdependent and in constant interaction, hence the model is immediately applicable to an international system of 'national' states. It is weak though, on other international and transnational forms of political interaction except in so far as they affect state structures and nationalism. Similarly, it tends to under-emphasise non-state factors in the development of nationalism at the sub-state level. But even with these reservations, it is clear that the 'statist' model assists greatly in specifying both the domestic and the international context of nationalism, particularly with regard to the impact and autonomy of national state structures, and this approach forms a key element in the theoretical framework developed in Chapter 3.

The state-centred interpretation of nationalism has also had an important influence on actors in Ireland's national conflict and in EU institutions. The state is seen as having a crucial role in defining inter-national and domestic politics, particularly in terms of the emergence and persistence of nationalism. For the architects of the EU, the emergence of exclusive, state sponsored nationalisms was the central cause of Europe's inter-state conflicts in the first half of the twentieth century. This diagnosis was one of the factors that led to the creation of pan-European inter-state organisations. Consequently, political actors at the EU level are preoccupied with achieving a diminution of national state sovereignty as a means of reducing exclusivist nationalism and therefore of reducing the possibility of war between Western European states.

A similar understanding of nationalism and hence of the means of overcoming national conflict is reflected in the rhetoric of some political actors in Ireland's national conflict. The close conceptual association of state sovereignty and national identity in Ireland translates into neatly delineated defensive British nationalist and offensive Irish nationalist positions on the question of Partition in Ireland. The rhetoric of political actors is often closely associated with the competing state claims to territorial sovereignty embodied in the British 1920 Ireland Act and in the 1937 Constitution of the Republic. Also, as a corollary to this, the rhetoric of self-styled anti-nationalist actors in the conflict is invariably focussed on the degree to which British or Irish state sovereignty is being displaced in a trans-nationalised, regionalised, Europeanised political context. Again, these various strands of contemporary debate are discussed in Sections 3 and 4.

### *'Class-centred' approaches*

Class-centred approaches are useful in developing the themes marked out by 'modernisation' theorists into a more critical interpretation of the impact of capitalist industrialism. Like state-centred perspectives, class-centred interpretations of national conflict are common in Ireland and at the EU level, although not dominant, as they are typically linked to the Marxian aspiration to a class-free society and are most commonly expressed by subordinate national groupings.

Theorists interpreting nationalism as an expression of class conflict emphasise its roots in the exploitative and oppressive logic of capitalist development. This encompasses the school of Marxian thought which argues - following Rosa Luxemburg - that nationalism is primarily an ideological tool of the ruling classes. The state elites that promote the 'national' interest are seen as directly acting in the interests of the dominant capitalist classes and nationalism itself is seen primarily as a means of maintaining capitalist relations. This class-centred approach also encompasses those arguing that nationalism is the voice of exploited and oppressed people demanding the power to shape their own societies. From this perspective, nationalism is primarily an anti-imperialist ideology. It is



seen as giving political force to popular demands from 'internal' as well as 'external' colonies and 'neo-colonies' of imperialist powers.

Writing from the former perspective, Eric Hobsbawm focuses on 'official' nationalisms in Western Europe, suggesting that nationalism is founded on "invented traditions" linked to a 'national' state (Hobsbawm 1983). For him nationalism is reproduced from 'above' in at least equal measure as from 'below' (1). Nationalism is seen as an ideological tool of the ruling class: a means of socialising and controlling a fragmented citizenry, the "expression of local or sectional discontents capable of being wrapped in coloured banners" and a "substitute for lost dreams" (Hobsbawm 1990:178, 1983:10). This helps to explain the emergence of nationalism in the transition from agrarian feudalism to industrial capitalism. The 'national' state becomes the focus and "framework of the citizens' collective actions", the institutional carrier of the "civic religion". Public education constructs a new, secular priesthood wedded to the national state; monuments symbolising national events and temples consecrated to the 'nation' are constructed; and public ceremonies, focussing the 'national' spirit are performed (Hobsbawm 1990:264).

In the contemporary period he argues that there has been a general mutation of ethnic politics into nationalist politics, stressing nationalism's thirst for ethnic roots in the context of disintegrating social structures such as in post-Communist Central Europe (2). There should be no surprise that such reactionary politics has emerged - across Europe - as states have been increasingly constrained and destabilised by global economic forces and have consequently persistently failed to meet popular aspirations. Nationalist 'revivals' in the context of heightened transnational integration reflect the "future shock" of a disorientated generation "hungry for new certitudes to replace collapsing old ones" (3). The imagined community of the 'nation' or the ethnic group offers something permanent in a disruptingly fluid society.

This analysis has similarities with the 'modernisation' approach. Where it differs is in stressing that nationalism presents a false picture and serves the particular interests of dominant elites - leading to the irony that "what

holds humanity together today is the denial of what the human race has in common" (4).

Nationalism is also significant for anti-imperialist movements of "national liberation". Blaut focuses on such movements and - like Hobsbawm - seeks to explain them in terms of the specific logics of capitalist exploitation. He argues that once immersed in capitalist relations, the state becomes an arena of exploitation and resistance, expressing class struggle in a class divided society. 'National', communal histories gain significance by virtue of their relationship with the capitalist state and consequently the nation is defined not as self conscious collectivity but as a class bloc aspiring to state power. Depending on their class following and historical context, he categorises nationalisms as either reactionary and exploitative, or as anti-imperialist and progressive. National movements are either aimed at maintaining the control of dominant classes or at gaining emancipation from them and these two forms of nationalism are seen as constantly mirroring conflicts between imperialism and anti-imperialism in the global political economy (Blaut 1987).

Amin broadens this perspective by stressing the tension between the unifying, class forming, logic of global capitalism and its fragmenting, nation forming, impact. While the forces of production define a global framework of exploitation, productive relations ensure that its surplus is distributed to dominant class alliances concentrated in core 'national' states (Amin 1980:13). Exploitative relations of production are seen as generating spatially unequal class relations, and 'national' class alliances, reflecting spatial inequalities, are seen as centrally important in maintaining capitalist stability.

The ways in which class blocs are built around 'national' interests, how these are challenged, re-formed or transformed over time; the impact of subordinate classes and linkages with non-national class blocs; and the role of 'national' state in expressing, solidifying and adjusting the 'national' class alliance, are all examined as a means of explaining 'national' movements. Such 'national' class alliances are seen as significant not only in the imperialist 'core' societies - as stressed by Hobsbawm - but also in the

peripheral, subordinate societies, as alliances between 'local', comprador elites and transnational capital maintain dependent or "extroverted" development in the periphery, rather than "auto-centred" forms of development that are more aimed at meeting the needs of such subordinated peoples (Amin 1980:164).

This yields a three-phase analysis of inter-imperialist rivalry. A pre-World War One narrow class alliance is seen as fuelling competitive interstate 'national' rivalries focussed in Europe, while a broader social democratic class alliance in post-Second World War western Europe is seen as channelling 'national' rivalries into collective, US-dominated regulatory institutions. In its most recent phase of development a heightened crisis in capital accumulation is seen as narrowing the 'national' class alliance and sharpening inter-state competition between states now organised into 'global regions'.

Significantly, in this most recent phase, Amin identifies a shift away from the national state framework as inter-imperialist rivalries are fought out at an inter-bloc rather than an interstate level. As the process of capital accumulation globalises, there is a "lack of any fit between state space and economic space", seriously undermining the coherence and ultimately, the dominance of 'national' power elites (Amin 1980:233). As states are unable to construct a 'national' class alliance in the context of global economic interests, 'official' nationalisms both in the 'core' and 'periphery' are undermined, opening up new opportunities for subordinated movements.

Overall, the class-centred approach offers an analysis that is global in scale and in this respect it is useful in developing a perspective on nationalism and transnational integration. It is also useful as it attempts to map out the inter-connections between nationalism as a political ideology and the exploitative or oppressive impact of capitalist development. These linkages between class conflict and national conflict form a key element in the analytical framework that is developed in Chapter 3. This approach is though, somewhat limiting as it prevents analysis of the state and the states system as anything other than the instrument of dominant capitalist elites. Nationalism is similarly analysed as a political tool rather than as a



political ideology that may emerge out of the real conditions of capitalist development.

As with the other approaches, the class centred interpretation of nationalism exerts an influence on the national conflict in Ireland and on actors at the EU level. The issue of whether Irish nationalists should attract the support of socialists and of the labour movement North and South and further afield is conditioned by this essentially tactical approach to nationalism. Socialists have rallied to the support of Irish nationalism and Republicanism not out of any necessary attachment to the national cause but rather, due to the awareness that Britain had maintained its presence in Ireland as part of its global role as an imperialist power. Any weakening of that power - elsewhere as well as in Ireland - was to be welcomed. Similarly, such tactical calculations influence positions on whether socialist unity in Northern Ireland between unionist and nationalist workers, for instance, should take priority over ending British rule, or vice-versa.

This approach has also influenced socialist strategy at the EU level on the question of whether the process of EU integration should be supported. The class bloc serviced by EU institutions is variously characterised as irredeemably capitalist orientated, as argued by socialist Euro-sceptics, or, as increasingly subject to pressures from Europe's working classes, as argued by some socialist Euro-enthusiasts (See Palmer 1992).

### *'Uneven Development' theories*

'Uneven development' theories focus centrally on the wider inter- and trans- national setting in which nationalism is reproduced. They explore a broad range of economic, cultural and political relationships within and between societies to explain the persistence of nationalism. They are therefore particularly useful for the analytical framework outlined in Chapter 3 and here are outlined in some detail.

Hroch (1985) for instance, emphasises the impact of uneven development on nationalist ideology. He defines an organic relationship between socio-

economic transformations under capitalism and socio-political transformations in the development of nationalism, suggesting that 'national' ideologies are bound into the logics of objective socio-economic relations and arguing that the theoretical focus should be on how they inter-relate.

There are three phases of development that he argues apply to all nationalist movements - a phase of 'scholarly interest', of 'patriotic agitation' and of 'mass mobilisation'. The type of nationalism that emerges - its ideological form and its support base - depends on the period in which the national movement shifts into the second, 'agitational' phase. This forms the basis for a typology of national movements that highlights differences between political programmes and class bases, according to when they matured into mass nationalisms. Three broad historical periods of socio-economic transformation are identified: the fall of absolutism and bourgeois revolution; the victory of capitalism and its early development; and the acceleration of globalised integration and mass, global communication under advanced capitalism.

Hroch suggests that 'national' class alliances and ideologies are shaped by the uneven spread of capitalism across these historical phases. He argues that nationalism is generated and sustained by conflicts of interest, with widening communication and social mobility as a contributory - secondary - element. This approach is particularly useful for the purposes of this enquiry as nationalism is seen as emerging out of sharp material disparities derived from the unevenly distributed impacts of capitalist development.

Anderson's approach (1991, first published 1983) complements this analysis by focussing on the uneven development of global culture as a key element in the emergence and persistence of nationalism. He emphasises that the erosion of the defining elements of pre-modern culture laid the cultural groundwork for the transition to a system of 'national' states (Anderson 1991:36). "Printing press capitalism" used indigenous and vernacular languages and replaced written script inaccessible to the vast majority of the population, making it possible to communicate with a mass,

linguistically defined community. At the same time, with the transition to the politics of a secular society there was an increasing demand for popular sovereignty voiced by a rising bourgeoisie and an associated implosion of social structures centred on 'divine' men. There was a widening distinction between cosmology and history as social events became rooted in a temporal reality rather in the realm of the divine. People became the subjects of history and were placed in a constructed, continuous historical narrative that was subject to popular intervention rather than a pre-ordained hierarchy subject only to divine intervention (Anderson 1991:204).

As language, social power and history were transformed, an opening, or vacancy emerged for a new social certainty linking "fraternity, power and time" (Anderson 1991:36). This vacancy was filled by a new cultural trajectory behind the 'national', "imagined community" that subsumed individual identity into a public, collective identity as a 'nation'. This reconfiguration of culture into a 'national' "framework of consciousness" during the first 'wave' of nationalism in the late eighteenth century depended centrally on the ways in which state administration gives territorial meaning to subject dominions (Anderson 1991:63) (5). The cultural exclusion of territorially defined elites subordinate to the core political authority, who had the technology, resources and social power to reconstitute themselves as 'national' elites is seen as a crucial factor in the development of nationalism as the new doctrine of social and political life.

According to Anderson this conflict between a populist, often linguistic nationalism and a centralised political authority transformed the logic of political legitimacy in the core as well as the periphery. This constituted the second 'wave' of nationalism, in which the nationalist imaginings of peripheral elites were adopted by state leaders in the metropolises, who were keen to re-homogenise their populace in the face of social upheavals and to re-stabilise their rule in the face of new political demands for popular sovereignty. This emergence of what Anderson calls "official" nationalism was built on an imperial land-grab in the nineteenth century and was reinforced by a further wave of anti-imperialist nationalisms in the newer colonies. This third wave of nationalism erupted out of the tensions



inherent in attempting to construct an imperial nationalism, as the colonial dominions of the metropolitan states, defined as subordinate members of the 'nation', mobilised behind their own versions of the 'national' community.

This history of conflict between competing conceptualisations of the 'national' community is driven by socio-economic divisions at the heart of international society and is expressed as a political conflict between imperial-dynastic interests and revolutionary forces (Anderson 1991:159). The gulf that opens up between the ideologies of the imagined 'nation' and the lived experience of its 'nationals' leads to a reactive nationalist mobilisation, so reproducing the fragmentation of global politics into 'national' states. For Anderson nationalism is defined and redefined by a conflict between revolutionary nationalist populists articulating socio-economic grievances, defining a 'national' programme for popular mobilisation and official apparaticks attempting to maintain 'national' unity and stability in the metropolises. The first mobilises their national community through myths of the 'nation' in an anti-state offensive movement, the other conducts a defensive 'national' mobilisation founded on a mythical sharing of 'national' interests (Anderson 1991:161n).

Hence Anderson argues that the legacies of nationalism are 'Janus-headed' (Anderson 1991:155-9): nationalist mobilisation depends upon an ability to invent or reinvent a community of interest with an historical continuity, collectivising past and present experiences and linking them to future aspirations. Nationalists both look backwards, seeking to 'revive' an historical attachment and forwards to meet 'national' goals. Both revolutionary movements and state leaderships are locked into the logic of 'national' mobilisation as historical experiences and aspirations are defined by territory and by the 'national' state framework.

Nationalist movements and 'national' struggles are seen as mutually defining, stemming from an overarching, indeed, unifying confrontation of dominant and subordinate political elites. As outlined by Edward Said, the conflict between imperialisers and imperialised has to be

conceptualised as a mutually defining "contrapuntal" relationship in which there is "a simultaneous awareness both of the metropolitan history and of those other histories against which the dominating discourse acts". Whether imperial or post-imperial, anti-colonial or post-colonial, such cultural identities have to be understood as mutually reinforcing - "not as essentialisations... but as contrapuntal ensembles". Just as "no identity exists by itself without an array of opposites, negatives, oppositions", so no revolutionary, anti-imperialist movement is able to define itself as outside the 'national' state system. To do so would be an act of political suicide. Hence - often ironically - the clash between revolutionary and reactionary forces in global politics is fought out in the same 'national' political framework (Said 1993:59-60).

The sharp discontinuities in global territorial development that ignite and fuel the social and political antimonies that are expressed in 'national' conflicts are also explored by Tom Nairn (1977). Nairn advocates a holistic approach, suggesting that the examination of individual nationalisms without setting them in a wider global framework of political relations ignores the social dynamics which create and sustain them. Consequently, the persistence of nationalism is seen as directly resulting from the globalising spread and deepening reach of capitalism. Ironically, as nationalist self determination becomes a "grim necessity of modern social development", nationalism turns against its creator, becoming the vehicle for popular anti-capitalist aspiration, thereby destabilising 'core' western capitalist states (Nairn 1977:38).

For Nairn, all nationalisms are defined by regressive and often reactionary communal attachments and by the aspiration to 'national' progress. This tension-in-unity or rather conflict-in-unity is at the heart of nationalism. Nationalism is seen as a political doctrine that confronts the future with its face to the past (Nairn 1977:352). Nationalism is transformative and seeks to change the ways in which a territory and its people are developing. But in order to achieve this, it is also backward-looking, seeking a continuity with a communal past. Nairn suggests that this stems from the need to "invite" the masses into history: an aspiration to transform the future requires a myth of origins and an account of the communal, collective past

in order to explain the present and project needs and desires into the future. Hence nationalism is simultaneously progressive and regressive. Like Anderson, he argues that it is two-faced - or "Janus faced"- with one face looking forwards and the other backwards, standing over the passage to modernity, always ambivalent in its attempts to maintain an uneasy consistency between the two and occasionally opening up opportunities for other forms of social movement (Nairn 1977:349).

'National' movements both react to the reality of 'national' division and aspire to the re-ordering of international society. They invoke a definition of 'national' history, creating a 'national' mission and seek to gear it to meet their interests. This is as true for national groupings attempting to challenge the logic of capitalist development as for those seeking to shore it up, in this sense "all nationalism is both healthy and morbid" (Nairn 1977:339, 347). This then, offers a way of explaining both the progressive and regressive dynamic of nationalism, so avoiding the tendency identified in class-centred perspectives, to oscillate between outright condemnation of 'imperialist' variants and over-celebration of 'anti-imperialist' variants of nationalism.

For Nairn, nationalism is a necessary outcome of global capitalism: it was not chosen as the vehicle for political change, it was imposed by the logic of uneven capitalist development within the inter-national states system (Nairn 1977:335). Nationalism expresses the fact of territoriality in class relations, despite the trans-territorial, now global, logic of productive forces. He identifies a constant tension between these two competing spatial dynamics, for instance, between 'national' and international capital, between 'national' liberation and socialist internationalism (Nairn 1977:354).

This is reflected in the dialectical historical logic of nationalism since its emergence in peripheral, colonial dominions in the late eighteenth century. Nationalisms in metropolises are in constant, mutually defining conflict both between themselves and with nationalisms in subordinated territories, shaped by the overarching process of global capitalist accumulation - a conflict that "has enveloped and repressed the other



antagonism upon which Marxism laid great stress: the class struggle" (Nairn 1977:353). When societies are "smashed" apart by territorially, 'nationally' defined capitalist development, within a 'national' states system, they disintegrate "along the fault lines contained inside them", that is, along national lines rather than along clearly defined class lines (Nairn 1977:353).

Nairn's approach integrates the global political, economic and social logic of capitalism with the analysis of nationalism, defining it as a central element in global capitalist development. As Nairn argues, nationalism's "real origins are... located not in the folk, not in the individual's repressed passion for some sort of wholeness or identity, but in the machinery of world political economy" (Nairn 1977:335). Without a 'national' state apparatus to gain some autonomy for people in the global economy, social 'progress' or industrial development mean domination. The only way for people to "contest the concrete form in which....'progress' had taken them by the throat" is to construct their own 'national' state (Nairn 1977:337-9).

The prediction of 'liberal' thinkers on international politics that global commerce would lead to global social harmony could not have been more mistaken. On the contrary, the over-riding power of global capital is seen as continually reproducing nationalism and generating rather than abating inter-national conflicts. This approach offers a useful corrective to the 'ethno-nationalist' and the 'modernisation' theories of nationalism. The conceptualisation of nationalism as a political ideology driven by the logic of the capitalist system directly integrates the reproduction of nationalism into the reproduction of global capitalism, defining it as one 'movement' whose competing dual logics can be discerned in nationalist rhetoric and in their historical development. Also, unlike 'class-centred approaches, it retains a theoretical openness. Class interests are counted as significant but only as an element in the development of a capitalist system, which drives states, ideologies and cultures as well as classes into the logic of national aspiration, national competition and national conflict.

This interpretation of nationalism has particular resonance in Ireland's national conflict and also at the EU level. Uneven cultural and economic

development in Ireland has been seen by a number of commentators as a central factor in the emergence of the unionist-nationalist conflict in the late nineteenth century and in the construction of Partition. Partly reflecting this, some Northern Unionist politicians talk of the 'two nations' of Ireland, while some Nationalists emphasise the on-going linkages that may over-ride the dimensions of uneven North-South development. Especially for Nationalists, the possible - indeed, likely - transition to 'even' development in the mid to late twentieth century was seen as undermining the political division of the island and as possibly resolving the conflict.

Meanwhile, at the EU level, concerns at the destabilising effects of uneven development, in terms of its impact on substate nationalist movements as well as on the 'official' national states themselves, has been a major factor in the emergence of EU-led regional and cohesion policies.

### *Chapter Conclusions*

The various theories of nationalism can be placed into five broad categories. While these overlap and inter-relate, they form a distinct range of interpretations, each of which has been briefly summarised.

The five perspectives have been assessed in terms of their resonance in Ireland's national conflict and in terms of politics at the EU level. All were found to have had relevance to either or both, with 'ethno-national' theories perhaps being the most influential, even dominant, interpretation.

In addition, the five perspectives have been examined to assess whether they explain nationalism in terms of transnational or international developments as well as in terms of 'national' developments and there has been some concern that they should seek to explain the reproduction of nationalism under differing and rapidly changing conditions, rather than simply offer a limited account of its origins. It has been argued that the 'uneven development' perspective best meets these criteria as it analyses

nationalism as a product of the on-going interaction between global capitalism and national-state fragmentation. In Chapter 3 this overall perspective - including some of the arguments about nationalist ideology and global culture developed by Hroch, Anderson and Said - is combined with elements of the 'state-centred' perspective developed by Breuilly and of the 'class-centred' approach developed by Amin.

Before going about constructing this analytical framework it is necessary, in the following Chapter, to undertake a similar task for international relations theory.

## Notes

1. For instance, Lenin who proposed a distinction between 'progressive' and 'reactionary' nationalisms; Stalin, who set criteria for the recognition of 'national' status; and President Wilson who suggested that if only all 'nations' were given independent statehood then national conflict would cease. Meanwhile, the dictates of inter-state imperial competition are seen as laying the groundwork for nationalisms and national conflicts in the post-colonial societies of Asia, Africa and South America.
2. Hobsbawm E. (1992) Whose fault line is it anyway? *New statesman and society*, 24 April 1992.
3. He distinguishes the greater willingness of state elites to resort to nationalist policies and nationalist rhetoric, from the various reactionary political developments - fundamentalism, racism, xenophobia - that have become stronger in the late twentieth century, see Hobsbawm 1990:165-6.
4. Hobsbawm E. (1992) Whose fault line is it anyway? *New statesman and society*, 24 April 1992, page 26.
5. Anderson argues that these meanings were acquired by dominion elites while on "viceregal pilgrimages" to imperial capitals in Western Europe, while dominant 'at home' in their dominions, once in the imperial heartland they were consigned to subordination (Anderson 1991:61). It is argued that as these elite 'national' imaginings of nationalism's "Creole Pioneers" gained a wider political currency. Through mass newsprint they began to shape a mass 'national' consciousness that challenged the metropole's right to rule their 'New World' dominions and fought a series of revolutionary wars from 1776 to 1825, the first wars of national liberation (Anderson 1991:191).



## Chapter 2

### International relations theory

This Chapter assesses the usefulness international relations theories for the analysis of national conflict in a transnational setting. Again, the central criterion for assessment is whether these theories can take account of political change at both the domestic and the international levels or whether they are primarily concerned with mapping out political tendencies at one or other level. The focus then, is on overcoming tendencies to dichotomise between 'domestic' and 'international' politics and to thereby develop an integrated theoretical framework for the analysis of national conflict.

At the same time, in discussing the main strands of international relations theory, the Chapter illustrates how they are reflected in the contemporary debates about EU integration and about the national conflict in Ireland - focusing particularly on the differing conceptions of national or state sovereignty. As with the previous Chapter, these implications are briefly sketched out after each theoretical perspective is analysed.

International relations theories are more clearly demarcated into 'schools of thought' than theories of nationalism. There are three such 'schools of thought' - realism, functionalism and marxist-influenced approaches - each founded on particular interpretations of human nature and different conceptions of politics and of the role of the state (Olson and Groom 1991). As will be outlined, the theoretical dispute between them centres not so much on these 'foundational' issues as on the resulting disagreements over what are deemed to be the primary actors in the international system. This determines the direction and focus of theory - as "much depends on what one chooses to treat as exogenous" (Cornett and Caporaso 1992:249).

For realists sub-state and supra-state organisations are explained in terms of state-centric power politics. For the functionalist school the state is exogenous: substate and suprastate organisations are the main object of study and states are interpreted in the light of these sources of non-state power. Marxist-influenced approaches emphasise class interests and interpret both state and non-state institutions in terms of these interests.

In what follows, each of the three broad 'paradigms' and variants within them are discussed in detail. As with the previous Chapter, there are two main concerns. First there is an attempt to highlight their relevance to contemporary debates at the EU level and in Ireland's national conflict. Second, each of the three perspectives are assessed as to how they can contribute to the analytical framework constructed in Chapter 3. Again, two main criteria are applied - namely - whether they integrate 'national' or 'domestic' factors with inter- or trans- national factors and whether they seek to explain the reproduction and dynamic development rather than the origins of the global political system.

### *Realism and Neo-Realism*

Realism defines international relations as the study of state behaviour in an international 'society' of states. 'Realist' theory rationalises state practice and was developed both as a legitimation of state behaviour and as a guide to action for state officials. It has its origins in concepts of statesmanship developed by Niccolo Machiavelli in *The Prince* (1532) and in concepts of absolute state sovereignty and of inter-state anarchy developed by Thomas Hobbes in the *Lethiathan* (1651).

Societies are seen as existing in a constant state of disorder or 'state of nature', hence states are required to exercise absolute power within their territory and to maintain domestic order. Without an overall 'world state', global politics is defined as interstate politics - as constant conflict, disorder and anarchy between sovereign units. This 'realist' account therefore stresses the rational pursuit of state power, and has developed a range of ordering mechanisms to stabilise the anarchic society of states. This approach - which has been described as a form of social Darwinism writ

large (Halliday 1989) - has dominated theoretical thinking in international relations, especially since the Second World War.

'Realism' is founded on three assumptions: first that the all-important actors in international relations are states; second that states have formally equal powers and third, that there is sharp distinction between domestic politics and international relations (Morgenthau 1956). These generate three guiding principles - that there is no authority above the state, that inter-state relations are competitive and that states can or should pursue power rationally.

Realists argue that states are granted sovereign power by their citizens in return for maintaining security. As has been mentioned, this *a priori* privileging of security issues is founded on the Hobbesian vision of society as an anarchical 'state of nature' (Brewin 1982). As there is no authority standing above the international 'society of states', there is no equivalent mechanism guaranteeing state security. Consequently, states respond to the security threats embodied in the resultant anarchy by constantly guarding against attack or in extreme cases, by pre-empting attack, as not to do so would threaten their survival.

International order can only be created out of this anarchy by the states themselves. The ordering conventions or 'institutions' of international politics - interstate conflict, the norms and conventions of diplomacy, the balance of power between states, the alliances and treaties struck by states - are developed out of many decades of trial and error as state elites attempted to secure international political stability. The problems that arise out of building these ordering mechanisms in the anarchic international society are examined by realist writers, who suggest that a 'rational' art of statecraft should shape state responses rather than any reliance on non-state institutions: attempts at building order on anything other than sovereign states, for instance, the League of Nations in the 1920's and 30's, are seen as non 'realistic' and dangerous.

Realist thought in international relations falls into two broad categories - 'classical' and 'neo-realism'. Both perspectives are founded on a "a theory



about constraint" - about the constraining and hence civilising effects of international order in an otherwise anarchic international 'state of nature' (Cornett and Caporaso 1992:288). 'Classical' realists were primarily concerned with how states determined and pursued their interests in the international arena and consequently were inclined to define a sharp distinction between domestic and international society and to consign the former to the 'black box' of the territorial 'nation-state' (Mastanduno *et al* 1989).

'Neo-realism' adapted the realist 'billiard-ball' picture of international politics to suggest that the "anarchic" inter-state society generates its own rules and institutions to regulate state behaviour (Bull 1977). Neo-realists argue that regional organisations such as the EU strengthen - indeed express - existing state interests and extend state sovereignty. Regional regimes of capital accumulation and political decision-making are seen as part of the institutional structure of an international society dominated by states. Like diplomacy, international law, balance of power, and indeed - war - these regional regimes are primarily seen as a means of reconciling conflicting interests between the sovereign states.

Writing from a neo-realist perspective, Kenneth Waltz (1979) contrasts how domestic society and international society are ordered to provide a theoretical grounding to distinctions between the two. He distinguishes three attributes of social structure - its ordering principles, the functions of its units and the distribution of capabilities between these units. The ordering principle in domestic society is hierarchial subordination, in international society it is anarchic coordination. Each unit of domestic society exercises different functions, in international society all of its state units exercise the same functions, expressed in their formal equality. In domestic society the capabilities of 'units' are shaped by this distribution of functions while in international society it is the differences in capabilities, alone, that shape relative power positions (Waltz 1979:80-96).

This political system is likened to an unregulated commodity market where states 'rationally' pursue self interest and thereby maximise overall utility. Hence state actors not only do, but should dominate international

politics. States are assumed to have similar utility-maximising motivations and although in the course of bargaining, alliances may emerge between these actors, these will be temporary and will not subvert the internal logic of the "coaction of self regarding units" (Waltz 1979:91).

Gilpin (1987) also develops an analogy between the realist theory of state action and the neo-classical economists' conception of the market, using distinctions between competitive and noncompetitive, oligopolistic or monopolistic market forms. He argues that the structure of post-war interstate economic cooperation depended on the existence of a hegemonic power willing to commit itself to maintaining global stability and to act as a systemic leader. If such a leader fails to emerge in the post-Cold War era there will be a slide into inter-state power-political competition, dissolving the structures built up during the period of hegemony (Gilpin 1971). Although the possibility of multilateral "pluralist leadership" is not ruled out, he does suggest that this would be unlikely, given the conflicting interests of states (Gilpin 1987:365). Instead he highlights the protectionist, mercantilist tendencies in economic policy that have emerged with the gradual loss of the hegemonic 'leader', and have undermined the "political framework of transnational economic activity". As part of this process, he identifies a shift to "minilateralism" in regional associations - in which states, organised in regional groupings, compete as part of regions rather than cooperate as part of multilateral institutions in the global economy.

Overall then, neo-realists argue that states define the 'rules of the game' that allow the growth of global economic interdependence. In doing so they increase their "authority over economic activities" and their powers are enhanced, not superseded (Gilpin 1987:408). This neo-realist concept of an increasingly state-led "politicised economic world" reflects the earlier realist argument that states are the central actors in international relations. It is accepted that there are tensions between the economic and political organisation of international society but the outcome of these tensions - whether it is economic nationalism, multilateral transnationalism, or regionalised division - is shaped by the "diplomatic and strategic interests of the dominant powers" and extends, not diminishes, state power (Gilpin 1971).

For neo-realists, the effects of transnational, institutional action are contained by state-to-state intergovernmental relations. The activities of international organisations are interpreted in the light of state capabilities, the distributions of different forms of power between states, and inter-state alignments. East-West conflict during the Cold War, interstate regional integration, anti-colonialism and North-South global conflict, for instance, are all seen as primarily interstate concerns that are managed on their behalf by international organisations. Such organisations directly represent states and with their consent may themselves come to participate as actors in the political system. But states maintain control and the interstate system remains the primary political system.

In 'regime' theory for instance it is the spectre of conflict and uncertainty in international politics that is seen as the spur to international organisation. As it is rational for sovereign states to suppress their impulse to dominate other states and to cooperate in such institutions, regimes of interstate cooperation become permanent features of international politics and not contingent upon a coincidence of aims between dominant or hegemonic powers. There is a partial shift away from "the realpolitic ideal of the autonomous hierarchical state that keeps its options open" but the regimes of international regulation and coordination exist only as long as they continue to meet the needs of states (Keohane 1984:259).

Overall, in defining the global political system as no more than the sum of its state units, classical realist and neo-realist approaches are heavily reductionist. Power-political conflict in the pursuit of security is given an absolute priority over other dimensions of state activity in an ahistorical ideological syllogism which describes rather than explains state behaviour (Mansbach 1989). Realism therefore cannot account for the origins of states, nor can it account for their differences or even for their changes. Even on its own terms then, the realist model is simplistic and ahistorical. This enclosed theory allows realists to argue that the concept of state sovereignty that was formalised at the Treaty of Westphalia was then, and remains now, the central principle defining international relations. The structural positioning of states within the states' system is shaped as much by social



and revolutionary change in domestic and transnational society as by interstate conflict and the exclusion of these issues from the field of international political studies reduces rather than enhances understanding of the state actors that realists argue constitute international society.

More important for the purposes of this enquiry, the realist approach defines the state as an all-encompassing territorial entity that includes the government and civil society as well as the state institutions. The domestic and transnational roots of political ideologies, such as nationalism, that may have a major impact on states' behaviour, are treated as exogenous to the theory as they disrupt its state-centricity. For instance, domestic socio-political cohesion is treated as a significant element but only in so far as it affects the relative power of states in inter-state politics (Buzan 1991:114).

As Walker argues, these conceptualisations rely on "an account of the character and location of political community in explicitly spatial terms" (1993:127). Spatiality is conceptualised as homogenous, absolute space, in contrast with the personal space of "ordinary experience which is treated as merely apparent and relative" (1993:129). This distinction establishes the foundations for representing absolute 'real' space, for instance, in cartographic mappings of an absolute topographical reality, in definitions of property possession (and dispossession) and in the parcelling-up of territory into national states, each with their national citizenry (and non-national 'aliens'). This concept of political space as state-space, of the state as the 'container' of 'domestic' political life, separate from the society of states, forces non-state political categories out of international politics. These "categories of class, nation, gender, and ethnicity, or categories based on region and locale" are simply written out of the script of international relations as constructed by the self-styled 'realists' and 'neo-realists' (Walker 1993:131). This is distinctly unhelpful for any investigation of how these categories - in this case nationalism - relate with international politics.

The conception of state sovereignty, which is central to the realist approach to international relations, reflects and is reflected in the political rhetoric of actors in Ireland's national conflict and in EU institutions. Realism

develops the concept of an international system that is defined not by the 'low' politics of class interest or culture but by the so-called 'high' politics of states and state security. As with the statist conception of nationalism, this approach plays a central role in the rhetoric particularly of unionist politicians in Ireland who are anxious to defend existing state, 'sovereign' jurisdictions. The same is true of political actors who are concerned to maintain state powers within the EU and who define EU institutions as having an intergovernmental, inter-state rather than any transnational or supra-state role.

Furthermore, theoretical debates between 'realism' and 'neo-realism' about the utility of inter-state structures for the preservation of international security directly mirror and are mirrored by debates in Ireland and at the EU level. Neo-realist arguments that trans-state institutions offer a potentially more stable political framework for societies only as long as such institutions are primarily state-led and state-controlled contrast with 'Classical' realist argument that such institutions necessarily threaten to undermine the personal and social security offered by state structures. The question of whether inter- and trans-state institutions for instance, the Anglo-Irish Maryfield secretariat in Ireland or the European Commission in the EU, undermine or simply adapt state power is central to debates on North-South institutions in Ireland, to British-Irish relations and to debates about a possible role for EU institutions in the national conflict.

But the strait-jacketing of this debate into a state-centred theoretical framework profoundly constrains its usefulness other than for those who have an interest in defending existing state sovereignties. The 'nation' and domestic civil society disappear in the concept of the "nation-state", just as non-state global civil society disappears in the 'realist' concept of "international society". These non-state 'domestic' and 'international' contexts, that are crucially significant both for Ireland's national conflict and for developments in the EU as a whole, are therefore excluded from the discussion.

For a more enlightening insight into the relationships between domestic society and international politics - including the impacts of nationalisms and global transnational political relations - it is necessary to liberate theory from the restraints imposed by the theoretical assumptions of the (mis-named) 'realists'. This theoretical challenge is to some extent addressed by the 'functionalist' variant of international relations.

### *Functionalism and Neo-Functionalism*

In contrast with realism, the second 'school of thought', functionalism, stresses that states are not an essential element of modern society. Functionalists argue that societies shape states, hence inter-state politics is shaped and indeed, constituted by sub-state and global, transnational politics. They therefore highlight the internationalisation of economic and social relations and growing interdependence between states which - it is argued - will dissolve the division between domestic and international political life, leading to the demise of the nation-state.

This functionalist version of international relations can be traced to the late eighteenth century writings of free traders, such as Adam Smith's *Wealth of Nations* of 1776 and to political campaigners like Richard Cobden who in the 1840's argued that the growth of mutually advantageous trading relations would temper inter-state political conflict. In the immediate post World War One era, a more explicitly political development of this approach emerged, with the creation of the League of Nations. The failure of this first attempt at global inter-governmental collective security with the Second World War led to a revival of the more pessimistic, 'realist' version (See Carr 1984, first edition 1939). Nonetheless, functionalism retained its influence, to be re-invigorated by 'behaviouralism' in the 1950's and 1960's.

Unlike the largely ahistorical interpretations of realism and neo-realism, the functionalist variants of international relations theory stress the historically specific roots of state sovereignty, arguing that the concept of sovereignty has changed beyond all recognition since it was enunciated as the guiding principle of West European states system at the Congress of the



Westphalia in 1648 (Brewin 1982). The process of recognising rights to self-determination and managing the process of decolonisation, the presence of weapons of mass, global destruction, the definition of universal human rights, the threat of ecological crises, and the need for global and regional regulation of the increasingly globalised economic system have all forced an extension of inter-state cooperation into supra-state integration, stimulating a substantial revision in the meaning of state sovereignty.

For functionalists, such as Mitrany (1975b, first published 1943), states are bound together by forces and institutions that they cannot control. Non state institutions - such as transnational corporations, cultural and media organisations, transnational organisations, intergovernmental organisations and campaigning organisations - increasingly influence global political change. Interdependence between 'domestic' societies requires greater inter-state cooperation and is seen as disrupting anarchical competition at the heart of the realist model. For functionalists this reflects sovereignty's changing functional utility to society, arguing that it is being dissolved in an interstate system that has moved from mutual recognition of sovereign independence, to the joint pursuit of common interests and is currently moving to the implementation of and submission to common rules and regulations.

Most important, functional interdependence between states is seen as reducing the risk of war and therefore, in marked contrast with the realist position, functionalists suggest that these developments should be encouraged with the ultimate aim of creating a global government. State interests become more compatible and states increasingly act together, building trade-offs which extend integration into other realms of activity - a process of 'spillover' driven by the common 'non-political' goals of non-state interest groups that expands into overtly political initiatives. As the range of transnationalised tasks expands, increasing linkages between societies, the "cement of society" becomes increasingly integrated and states are forced to integrate at the political level (Cornett and Caporaso 1992: 237). In time, it is argued, this will develop into an institutionalised, self-interested harmony in a pluralist, 'liberal' global framework (Mitrany 1975a, 1975b).

Neo-functionalism developed as a response to the neo-realist assertion that states remain 'in control' of international agencies and theorises about the experience of integration in international institutions, particularly at the regional level in the EU (Pentland 1975). Neo-functionalists argue that the process of co-ordinating and integrating political decision-making at the international level is not only transforming the way in which states operate as the earlier functionalists argued, it is also leading to the formation of alternative supra-national bodies that supersede the 'national' states (Haas 1964, 1975). Neo-functionalists focus on these political impacts and stress the autonomous power of international institutions as being more than just one step removed from interstate power politics as neo-realists may argue; instead they are seen as standing as separate power structures, maintaining behaviour patterns, integrating interests and attaining collective goals, independent of states (Groom 1978).

This behaviouralist approach which stresses the learning process of combining together to pursue common goals within international organisations suggests that a dynamic, task-centred interaction between transnational actors increasingly prevails over the static constitutionalism of state sovereignty. This concept of "linkage" politics, developed from some of the theories of decision-making behaviour in an institutionalised, organised society, spawned a range of theories of transnationalism, including for instance, realist orientated 'regime' theory (Rosenau 1969; Keohane and Nye 1977). It also opened a dialogue with the Marxist tradition as expressed in a newly defined school of 'international political economy', which rose to prominence in the 1980's (Strange 1988).

Neo-functionalism then, suggests that rather than simply dissolving state authority in a harmonious global system, as argued by the functionalists, interdependence leads to the creation of new institutions exercising political authority that are 'above' or separate from the state. As 'national' decision-making fails in the face of increased transnational interdependence, political issues are increasingly vested in supranational structures (Haas 1975:71). Interdependency becomes more complex, less stable and more unpredictable and such institutions have unintended



effects. The institutional outcomes no longer directly express the common interests of states, and as they acquire their own momentum "the [international] regime generates its own autonomy" (Rosenau 1989:72).

The process of constructing such institutions is seen as overtly political - rather than technocratic because it involves the common management of consensus between participants. Contrary to the functionalist emphasis on the conflict-free pursuit of common interests in such organisations, neo-functionalist theorists suggest that the politics of these organisations is bound to be conflictual. It is argued that such conflicts are fought out within an agreed framework - in the offices of international institutions rather than on the battlefield - and lead to the formation of supranational institutions, the embryo of world government. Neo-functionalism thus differs from functionalism in emphasising the role of states in sowing the institutional seeds for their own destruction, which for functionalists are sown largely or wholly by the emerging transnational actors in civil society.

Both strands of functionalism are committed to the political project of minimising the role of state sovereignty in international politics and are founded on a distinction between conflictual interstate politics and non-political, functional elements of society-to-society interaction. For both, interdependent interest groups are seen as expressing a common, universal set of welfare priorities rather than conflicting interests and both emphasise that once interdependence dominates state behaviour it will generate interstate harmony rather than conflict and will lead to the creation of pan-state regional and eventually, world governments (Taylor 1971:57). Consequently, from a 'realist' perspective, both functionalism and neo-functionalism underestimate the significance of formal state structures and cannot account for the strengthening of state capabilities and increased inter-state conflict that may result from constructing international institutions (Harrison 1978). More significant, from a Marxian perspective, such an approach underestimates the degree of conflict between interest groups in a capitalist context, and fails to comprehend the implications of this both for conflicts in civil society and for state policies.



Perhaps most useful for the analytical framework to be constructed in Chapter 3, these variants of the functionalist approach define international politics as a social system - that includes the domestic and the transnational levels. This is important for the purposes of this study, as the theoretical insights of functionalism and neo-functionalism stem from the analysis of societal changes as well as of inter-state interactions. Hence they are an advance on realist approaches that accord an opposing theoretical priority to the states' system, although this insight is deployed primarily to argue that states are becoming less significant in international politics. While criticising the dominant 'realist' framework, its concerns are largely dictated by it and it fails to step out of the relatively stale debate as to which 'level' of political authority is gaining the upper hand (Walker 1993:136).

Also useful are its linkages with the 'modernisation' theory of nationalism, which also draws on communications theory and behavioralism (see Chapter 1). Functionalists define the *affective*, value laden cultural systems of 'national' societies as the source of the power and persistence of the states' system. Like Gellner, they link this 'affective' dimension of 'national' values to the more structural dimensions of socio-economic change which, it is argued, increase contacts and interdependencies between 'national' communities and transform the conditions under which states exercise power.

As with realism, the functionalist approach to international relations is reflected in the politics of Ireland's national conflict and predominantly by anti-nationalist and anti-unionist, cross-communal political parties, and also more recently, in the political positions of constitutional nationalists in Ireland, North and South. In the EU, functionalist readings of international politics have been a dominant, perhaps foundational theme. Politicians and officials in the Commission and in the Parliament invariably see themselves as hastening a move away from the national state sovereignty in the EU, towards more heterogenous, pluralist, forms of governance. These views tend to either favour the move to a predominantly non-state 'Europe of the regions', reflecting the functionalist approach or to a federal or confederal Europe - effectively a

new state form at the EU level - reflecting a more neo-functionalist approach.

### *Marxist-influenced approaches*

The third, Marxist-influenced approach stresses the role of economic interests and the distribution of economic resources and classes, not states, are seen as the basic units of analysis in international politics. Class conflict is seen as driving political change and the role of states, and of the states' system, in expressing the interests of dominant classes is emphasised as a key causal element of international conflict. Lenin for instance, in his *Imperialism* (1916), argued these conflicts between imperialist states would make them vulnerable to challenge from revolutionary working class organisations, leading to the ultimate demise of the capitalist system. In the post-war era the success of anti-colonialist and national liberation movements strengthened the Marxist-influenced approach. In the 1970's, debates about the role of the state in global capitalism intensified, revitalising analyses of international relations from this perspective.

As a result, Marxist-influenced interpretations have proliferated, some developing a 'world system' perspective, focusing on 'core-periphery' dependencies in the international political economy while others, following Gramsci, focusing on the role of the state and its 'relative autonomy', particularly in the states' system. "World system" theory, as developed by Immanuel Wallerstein (1980), inserts states and societies into the single systemic logic of international capitalist development. "Neo-Gramscian" approaches focus on political institutions and ideologies, suggesting, for instance, that global integration is leading to the formation of a trans-state, hegemonic class, integrated with "internationalised" state elites and relatively autonomous international institutions (Agnew 1994, Cox 1987, Gill 1993)

In general terms, Marxist-influenced approaches offer a less compartmentalised approach to international relations than either realist or functionalist approaches. The distinctions between 'domestic', 'international' and 'trans-national' relations that are central to theoretical

debates between realist and functionalist approaches are to a considerable degree dissolved. The global, integrated economic system is not necessarily counter-posed against the states' system as functionalists argue, but instead is seen as generating and encompassing state power. This is particularly useful for any investigation of the inter-relationships and linkages between national conflict and transnational integration.

By stressing the primacy of a global 'system' that will not necessarily dissolve states but instead uses and in some way depends on them, Marxists are able to argue that states and the capitalist system may at times be mutually reinforcing, at other times, mutually contradictory and - further - that the degree of consistency or contradiction will vary across the different dimensions of state power. This theoretical openness allows for a less ideologically constrained investigation of the role of states in the global system and of their historical development. Charles Tilly (1975, 1990) for instance, argues that the state can be seen as developing in tandem with capitalism, depending on it for tax revenue or for tribute while capitalism is seen as depending on the state to maintain the social and political conditions for accumulation, whether in terms of sponsoring mercantilist expeditions or, more recently, in terms of maintaining social control and ensuring social reproduction through the provision of 'reflexive' labour power.

Marxist-influenced approaches therefore open up questions of the inter-relationships between states and civil society, in its sub-state and global form. This is of crucial significance for any investigation into national ideologies and trans-national integration as it transcends the debate between 'functionalism' and 'realism' over the question of which 'level' of political organisation - sub-state, state or supra-state - has ultimate political authority. The state can be seen as an institutional structure rather than the "national-territorial totality" favoured by realists, thus opening up a range of questions about the relationships between state and society, between state and government, between state and nation, that are simply ignored by 'realism'. In rejecting this dichotomy between state and non-state institutions, Marxist influenced approaches suggest that both should be seen as part of an all-embracing 'system' in which state and society are



'inter-constitutive', focussing attention on their "reciprocal interaction" (Halliday 1988).

Unlike realism, Marxist-influenced accounts view the state as historically contingent, and unlike the functionalist school, they focus on the role of the state in meeting capitalist interests. States are seen as maintaining global inequalities both domestically, within 'national' economies and between global interest blocs. The tension between the pressures of capitalist competition and the need for capitalist collaboration are expressed in phases of interstate inter-imperialist competition - a central cause of war - and in phases of imperial collaboration, leading to the creation of global economic 'regimes' or 'hegemonies' between the most powerful capitalist states.

Hence Marxist-influenced approaches embrace both the concept of state sovereignty and of interdependence between states. States are seen as servicing, but also acting-on an overall global system in which the process of capital accumulation defines the particular circumstances of socio-economic interdependence and of interstate power politics. States either express popular resistance to the process of incorporation into the circuit of global capitalist development or secure the conditions for capital accumulation and of the legitimation of the 'system' as a whole. This suggests a theoretical linkage between the unity of the global capitalist system and the fragmented political states-system - which parallels an ideological intimacy between nationalism and internationalism.

This insight into the dialectical, dichotomising, counter-positioned development of the states system within a world economic system is particularly useful. Just as the deepening of capitalist relations in a universalised 'world system' sharpens social divisions, so, as the global economy becomes more integrated, nationalisms appear to be becoming stronger and national conflicts appear to be intensifying. In this respect, Marxist-influenced approaches can encompass and go beyond the insights of realism and functionalism by arguing that this 'double movement' is inherent in the process of capitalist globalisation.

The 'world system' theory developed by Wallerstein defines the states' system in terms of a globalised capitalist system. The process of capitalist accumulation, and of states' roles in it are conceptualised using a variant of 'dependency' theory, which builds an explanation of international inequality out of a theory of unequal relations between 'core' and 'periphery' (Frank 1978). For Wallerstein the global capitalist 'system' is, in the first instance, geared to meeting the needs of the dominant powers and is patterned by relations of socio-economic domination and subordination. Interstate relations reinforce these patterns of ownership and enable the continued exploitation of resources on terms dictated by the dominant powers. States are then, seen as part and parcel of the structural logic of capitalist development.

Consequently international politics is patterned by a confrontation between the 'systemic' forces that maintain it and the exploited or oppressed 'anti-systemic' forces - often organised on a territorial 'national' basis - that are generated by the 'system' but seek its destruction (Wallerstein 1974, 1980). This approach defines nationalism - whether in its reactionary or progressive forms - as quite logically paired with increased interdependency or trans-nationalism as both "have resulted from the historical tendencies of capitalist development" (Wallerstein and Phillips 1991:140-1). In more graphic terms, capitalist civilisation (in the singular) has bred modern nationalisms (in the plural) in "a dialectical vortex of centripetal and centrifugal forces" (Wallerstein 1974:66).

This raises the problem of tracing the connections between the two elements in this dialectical 'double movement'. Boyne (1990) for instance, has argued that it is the relationship between productive power and political power that is the crucial dimension shaping core-periphery relations rather than the relations between productive power and commodity exchange as emphasised by Wallerstein (1990). For him it is the cultural dimensions of the world system that establish relations of domination and subordination and "define a world of production which frames and structures, that is, sets limits and determines Wallerstein's core-periphery exchanges" (Boyne 1990:73).

The question of how to connect the unifying forces of global capitalism with the disintegrative, fragmenting forces in international politics is more extensively explored by Robert Cox (1987). Cox focuses on the linkages between states and civil societies to specify the role of states and of the states' system in maintaining the global system of production. He draws on Gramscian thought to study international politics in a discussion of the interactions between states, ideologies and class interests, using the Gramscian concept of 'historic bloc' to bind these three strands together and the concept of 'hegemonic' struggle, between dominant and counter hegemonies, to explain their historical development (Cox 1982).

For Cox the state responds to the internationalisation of economic forces by reining them in order to maintain its hegemonic, coercive and legitimating functions. In the first half of the nineteenth century industrialisation and *laissez faire* doctrines of minimal state intervention in the market are seen as leading to a huge expansion of economic forces reflected in the emergence of global product markets. The state response to this increasingly anarchic structure of the world economy was first to build colonial, territorial empires, and then in the early part of the twentieth century, to become more interventionist in the domestic economy. States defined the concept of the 'national' economic interest and eventually, after the collapse of global currency regulation through the 'gold standard' in the inter-war years, pursued nationally orientated economic policies. In the immediate post war years dominant states are seen as responding to a much more extensive globalisation of capital markets and production by developing global inter-governmentalist regimes and greater institutional integration at the regional level. These arrangements are seen as striking a balance, or compromise, between the domestic priorities of dominant states and the system imperatives of an increasingly integrated global economy. These global frameworks broke down in the 1970's, leading to global recession, a restructuring of capital, and an accelerated, unregulated phase of global capitalist integration in the 1980's, partially offset by greater regional integration, for instance in the EU (Cox 1992a).

In the current phase there is, in consequence, a diminution of global stability and a weakening of domestic cohesion as states are reduced to



"mastering the effects of causes beyond national control" (Keating 1990:193). As internationalisation is extended and economic, social and cultural life is increasingly defined at the global level rather than at the national-state level, greater pressures are placed on states. As global capitalism sharpens inequalities there is a widening gap between the "promise and the performance of the 'national' economy" and states are forced to accommodate and contain the disruptive effects of sharpened polarisation and fragmentation in the form of sharpened ethnic, regionalist, and class conflict (Camilleri 1984:92).

While still occupying centre-stage in the political arena, states have lost significant elements of their power, leading to particularly intense crises of legitimacy and authority (Strassoldo 1992:45). The problems of accumulation on a global scale transform the state from less of a "bulwark" into more of a "transmission belt" between domestic and international society (Cox 1992a). Instead of constituting the central institutional '*places*' where international politics is conducted, states become one of a number of different '*players*' in a wholly different political game. This is seen as generating two state responses: first, an attempt at strengthening the state's ideological power in 'domestic' society, retrenching 'national' state powers, particularly in relation to social reproduction and social control and leading to intensified 'national' identification; second, an attempt at controlling or at least at influencing global capital through inter-state organisations both at the regional and at the global level. As states respond to global interdependency a closer society of states is established in which it becomes increasingly difficult to exercise powers at the 'national' state level in the name of a 'national' people. States roles are redefined as power at the global and interstate levels is increasingly exercised by non-state institutions - private economic organisations, intergovernmental organisations, transnational organisations, international courts and collective security arrangements - perhaps leading to what some have have described as a "new medievalism" (Bull 1977).

The 'national' state becomes an increasingly ineffective means of defending the interests of EU capital and supranational institutions are constructed at the EU regional level to provide the "minimum degree of

co-ordination of state regulation necessary to permit the international reproduction of capital" (Picciotto 1991:53). The new supra-state institutions serve the often regionally defined needs of interpenetrated 'national' capitals and are geared to marshalling the competitive resources of the 'national' economy, in concert with other states, to resist the encroachments of dominant capital external to the 'region'. This creates an ambivalence in state forms - reflecting the ambivalence of the post war global economic order between pursuing 'national' economic priorities and acting within a regional bloc to pursue the common interests of regional capital (Mandell 1970).

Asside from the construction of new joint institutions at the supra-state level, the state is itself, more than ever, forced to gear its policies to the dictates of international capital. State elites and state policies are in effect, 'internationalised' as states are put under great pressure to abide by the 'beggar thy neighbour' rules of capitalist competition. As finance and production become more 'footloose', interstate and inter-regional competition forces states to deregulate markets and cut taxes, which creates fiscal crises and forces cuts in welfare provision. While state roles in meeting popular demands and maintaining class harmony are undermined, their roles in relation to maintaining the conditions for capital accumulation are strengthened - particularly in relation to enhancing competitiveness in global markets (Panitch and Miliband 1992; Picciotto 1991:46). The contact points between these 'national' (in fact 'internationalised') state policies and regional or global organisations acquire a greatly enhanced significance, thereby strengthening the 'national' state as a bureaucracy rather than as a vehicle for popular aspirations (Cox 1992b).

Consequently, the proliferation of power sources in the international political economy short-circuits liberal democracy and is profoundly disempowering for those whose interests are not served by trans-national corporations or by supra-state organisations. But despite this, the state remains the main reference point for popular politics, putting a greater, not a diminished, premium on 'national' and nationalist politics. As Craig Calhoun notes, nationalism remains important because national



democracy remains the primary formal channel for popular aspirations, - "states remain the central organisational frameworks within which democracy can be pursued" (Calhoun 1993:400). The state remains the central area for democratic struggles and the key agent for contesting economic power, but its powers have been dramatically curtailed and it has become by no means the only central actor in international political relations, especially in the EU. This sharpens and deepens asymmetries in political and social power - leading to a global order in which popular, 'national' sovereignty has increasingly diminished substantive meaning (Held 1991; Held and McGrew 1993).

Marxist-influenced approaches offer an analysis of global politics in terms of a global 'system' encompassing domestic and international society. Wallerstein's 'world system' theory has been criticised as being primarily a theory of the monolithic logic of capitalist accumulation rather than a theory of its politics. Cox's approach explicitly tries to move beyond over-determined 'economism', to offer an explicitly political dimension that may be absent from Wallerstein's 'world system' model. His attempts at tying down the relationship between the states' system and the global capitalist system have in turn, been criticised as suggesting that state structures and hegemonic ideologies play a central and autonomous role in maintaining the global capitalist economy. As the dimensions of social order identified by Cox (1987) - material interests, ideological hegemony and state forms - are treated as autonomous entities with their own logic, there is a danger, identified by Peter Burnham (1991, 1992), of drifting into methodological pluralism. The three dimensions of social order distinguished by Cox are seen as "mutually influencing one another" but if each is accorded an equal independent weight, this raises questions as to why only three dimensions have been distinguished and whether separate theories are required to analyse their individual trajectories, leading analysis into a disorientating theoretical eclecticism (Cox 1982, Burnham 1992).

This potential weakness of the Gramscian approach as developed by Cox can be avoided by stressing that states, ideologies and interests are constituted by capitalist relations and are shaped by class struggle. Each of



the three dimensions of social order may have their own internal logic, but this is subordinate to the overarching contradiction at the heart of the mode of production which sets the interests of those benefiting from capital accumulation against those suffering from it. This conflict is expressed in each of Cox's three dimensions of social order - in conflict over material interests, in ideological conflict and in conflict over state policy. The intensity of conflict between the hegemonic and counter-hegemonic forces varies in each of these dimensions and conditions change over historical periods. Although localised in their effects, strategic shifts in the logic of this hegemonic struggle across these three dimensions are increasingly linked-in to the logics of the global system overall, such that a change in the terms of struggle in one part of the system has destabilising reverberations elsewhere in the system.

This adaptation of the Marxist-influenced approach then can also resolve a related, more fundamental theoretical blindness to the transformative potential of 'anti-systemic' or in Gramscian terms, 'counter-hegemonic' forces. Both Wallerstein's 'world system' theory and Cox's approach aim to highlight how such forces can emerge but the discussion rarely focuses on the opportunities for anti-systemic forces or for social transformation. By focusing analysis on discontinuities in capitalist development it is possible to demolish the conceptual monolith and thereby to point up the potential for social transformation. The overall logic of the capitalist states' system stressed by Wallerstein and the analytical dimensions identified by Cox are shaped by the process of contesting domination - through class struggle in the labour market, ideological struggle in the socio-political field and political struggle for control of the state. Developments in each of the dimensions identified by Cox - in material interests, ideologies and state policies - can be seen as the product of such conflict between the particular "systemic" and "anti-systemic" political struggles. The concept of a unified, 'systemic' logic in the capitalist system - at the heart of Wallerstein's analysis - can then, be adapted to focus on the conflict between dominant and subordinate groupings, in which successful popular intervention becomes possible.

Overall, Marxist-influenced approaches offer a way of explaining international politics in terms of the systemic tendencies of the capitalist world system. They go beyond both the realist and the functionalist paradigms in providing theoretical tools for analysing the reproduction both of 'national' states and of transnational capital, rather than simply of one or the other. They also allow for a recognition of the dual, interdependent or dialectical relationship between a globalising capitalist system and a fragmented inter-state system. This avoids an artificial theoretical separation between levels of analysis, integrating analysis of 'domestic' society with analysis of international society and offering the theoretical space required to discuss nationalism and national conflict in a transnationalised setting.

Marxist-influenced approaches to developments in international politics have many echoes in Ireland's national conflict and in the development of the EU. While rarely adopted by mainstream political actors, they have been used by political commentators to conceptualise the clashes between nationalisms in Ireland and to analyse the emergence of the EU 'global region'.

### *Chapter Conclusions*

'Realism' limits analysis of international politics to interactions within a states-system and cannot offer a theoretical framework for analysing national conflict in a transnationalised setting. 'Functionalist' international relations theory is helpful as it covers wider social relations both at the substate and suprastate levels. However it is very weak at analysing conflicts of interest, whether for example at the material level between economic interests, at the ideological level between different national groupings or at the political level between states. Furthermore, and equally important, 'functionalist' international relations theory is tied to the political project of moving away from statehood to what are assumed to be less conflictual political relations in a political system without states.

Both bodies of theory share a common concern with the future of state power and this shapes both the type and direction of developments in global politics that are identified. There is then, a certain sterility in 'functionalist' as well as in 'realist' analyses of global politics as, in being counterposed, they establish a relatively exclusive discourse of international relations theory. These "familiar controversies about whether states are obstinate or obsolete" have an air of unreality about them, leaving them with very little, if anything, to say about the persistence of nationalism (Walker 1993:6-7).

It is argued here that Marxist-influenced interpretations offer a more appropriate theoretical framework for analysing the connections between of transnational integration and national conflict. As with approaches to nationalism that stress the uneven impact of capitalist development, Marxist-influenced approaches to international relations have a theoretical breadth that spans both domestic and global 'levels'. They also focus on how the existing system is maintained in spite of intermittent disruptions and therefore offer a more appropriate framework than either realism or functionalism.

In particular, the three-pronged approach developed by Robert Cox provides the basis of the analytical framework. This is combined with the insights of Wallerstein's 'world system' approach and with Burnham's critique of Cox. The result retains Cox's three-stranded approach, focusing on conflicts of material interests, ideological conflict and conflicts over public policy. The next Chapter develops these analytical categories, combining them with the insights into uneven development and the reproduction of nationalism outlined in Chapter 1. This is aimed at building the analytical framework required to shape the case study which analyses Ireland's national conflict in a transnationalised setting, exploring the the apparent paradox that - as Calhoun notes - globalisation "is likely to call forth new and different nationalisms" (Calhoun 1993:407).



## Chapter 3

### Nationalism and Transnationalism: an analytical framework

This Chapter has two main sub-sections. The first builds a theoretical approach to nationalism and inter- or trans-national relations for the analysis of historical and contemporary tendencies in Sections 2 and 3. It draws together some of the theoretical strands discussed in Chapters 1 and 2, primarily drawing on the 'uneven development' approaches to nationalism and the Marxist-influenced approach to international relations, particularly relying on the theorisations of Tom Nairn (1977) and Robert Cox (1987). These are used to construct a three-part analytical framework for analysing the 'structural' relationships between nationalism and trans-national integration. Attention is focussed on three main aspects - political conflicts of material interests, ideological conflicts and conflicts over state policies. Each of these aspects is investigated in some detail with some discussion of the linkages between them, drawing on a range of theoretical insights that have been introduced in the previous Chapters. Later, in Sections 2 and 3, this framework is used to investigate the historical and contemporary dynamics of Ireland's national conflict in the context of EU integration.

In the second, shorter, sub-section the theoretical basis for Section 4 is mapped out. Section 4 addresses the question of how political actors themselves reconcile nationalism with transnational integration and suggests that they are forced to re-position themselves when confronted with the political conflicts and dilemmas that result. This involves a methodological shift and raises questions about the importance of investigating political 'agency', relative to more 'structural' analysis.

### *Analysis of historical and contemporary tendencies*

Building on the critique of theories of nationalism and international relations outlined in Chapters 1 and 2, this sub-section develops an analytical framework that inter-twines elements from both. This framework draws on the tools of a political economy-based analysis of the international system in combination with theories of nationalism. The intention is to derive a broad conceptualisation of the process whereby national identities and national conflict are reproduced in the modern global political system, in doing so, contributing to the debates between the various approaches to nationalism and to international relations, as well as laying the theoretical groundwork for the case study developed in later Sections. Drawing on the work of Marxist-influenced approaches to international relations, the framework comprises three analytical strands, focussing on material interests, ideological conflict and state policies. These are constructed on three central propositions.

First, it is argued that nationalisms express linkages between class interests and cultural divisions and that capitalist development creates national divisions and class divisions simultaneously, yielding a sharply uneven spread of national development across the globe. This draws on theories of nationalism that explain how class conflict creates divisions along lines of cultural difference and rejects any suggestion that 'ethnic' consciousness has an autonomous logic of its own. As such, Gellner's stress on the impact of industrialisation and Smith's insistence that national groups are simply ethnic groups "writ large", are given less credence than theories of uneven development developed by Nairn.

Second, it is argued people become consciously 'national' through social and ideological struggles that express these organic linkages. As argued by writers such as Hroch and Anderson, these struggles politicise peoples into a 'national' identity that, as suggested by Wallerstein and Cox, express broader global divisions. The logic of ideological and political struggle in forming a national class alliance and the role of class conflict in defining

national interests and national development as stressed by Blaut and Amin, is also emphasised.

Third, it is suggested that the state and the states' system plays a central role in the reproduction of nationalism in international politics. Following Breuilly and Anderson, it is argued that both the mass aspiration to popular sovereignty and the elite aspiration to 'national' autonomy generate and sustain nationalism. The state's ability to draw together and maintain a 'national' class alliance, as stressed by neo-Gramscian writers on international relations, is seen as a crucial element in the reproduction of nationalism. The role of the state in defining the "national" community is analysed as a product of hegemonic conflict, as stressed by Hobsbawm and Breuilly - rather than as a by-product of state structures required in the "modern" era, as suggested by Gellner and Smith.

This three-pronged approach attempts to avoid reducing social relations to social structures. Each of the three aspects are seen as developing in a dynamic process patterned by conflicts arising out of exploitation and oppression. The three elements - linking material interests, ideological conflict and state policies to the politics of nationalism - are bound together into a single 'movement' by the overarching contradictions that fuel the engine of capitalist development. This socio-economic 'glue' binding together the three strands of analysis is seen as fragmenting international politics at the same time as it unifies it. This perspective is drawn from the insights both of the 'world system' theory of Wallerstein which stresses the unifying logic of the global system and from theorists such as Said, Nairn and Amin, who stress the national fragmentation that results.

In what follows, each of the three analytical strands are discussed. Material interests, are discussed first, and are seen as relating to - although not determining - ideological conflict, which is discussed second. State policies are examined last, again, not as a product but as reflecting and shaping the previous two aspects. This is followed by some more detailed discussion of how the three aspects inter-relate.

### *Material interests*



The analysis of nationalism must account for a material interest in the 'nation' if it is to explain the dynamics of nationalism. To do this it has to understand economic change as a force which differentiates people along lines of culture, for example, or gender, age or sexual orientation, - as well as a force which homogenises people into classes. The transformation of social differences into social divisions has to be seen as an integral element of economic change, in constant interaction with the reproduction of class division. The outcome should be an approach to nationalism that hinges on an understanding of the uneven and unequal process of global capital accumulation as well as its unifying, systemic logics (Wallerstein 1991:157)

The process of reproducing national division is linked to the process of maintaining the relations of production and the struggle between the interests of labour and the interests of capital simultaneously reproduces both classes and nations. As a result, the central contradiction moving society forward drives national struggle as well as class struggle. Hence national division has to be seen to actively "condition the form and scope of the class struggle" and not just be seen as a pre-capitalist hangover that in time will be dissolved by the circuit of capital (Benner 1988:9; Warren 1973).

The pressure to integrate peoples into uniform classes with an internationalist cosmopolitan consciousness has to be set against the pressure to differentiate between peoples as a means of sidestepping - or undermining - the impact of class struggles. Where labour wins concessions from capital, for instance in the 'historic compromises' negotiated in post-war western European states, production and finance seeks out new locations in more capital-friendly environments. In this search for new sources of surplus value, capital "amplifies existing schisms" between cultural groupings and sharpens national divisions (Palloix 1977:22-3). National division is created in the same instance as class division and by combining the dual logic of integration and fragmentation, capitalist development simultaneously has an oppressive and an exploitative impact, as the reproduction of national division is "inscribed in the very movement of capital".

At the same time, by enabling the formation of national class alliances, such national' differentiations are a crucial, deciding factor in permitting the continued exploitation of subordinate classes and in maintaining the political stability of the capitalist system. The almost 'common sense' national loyalty that results is a central factor in keeping revolutionary social transformation off the political agenda in what has become a globalised capitalist system. In effect, nationalism became - and remains - "one of the forces by which the seemingly irreconcilable clash of interests between classes within the international community [is] reconciled" (Carr 1984:231).

These linkages are strengthened by the clash between modes of production on the "periphery" which may reinforce pre-capitalist divisions to allow "super exploitation" of the immediate hinterlands (Bradby 1975; Dore and Weeks 1979:84). Further contributory elements to this "development of underdevelopment" may include the need to construct a "reserve" army of labour in the peripheries to hold down the cost of labour power in the core, unequal exchange relations between core and periphery, or the competition between territorially defined fractions of monopoly capital (Frank 1978; Foster Carter 1978:60).

This interpretation of capitalist development can be used to analyse nationalism and national struggle as being bound into the logic of class struggle. The contradiction between global class relations and the forces of production that generates social change - the "central contradiction between the forces and relations of production that... moves society forward" is seen as reproducing social division as much as class division (Dore and Weeks 1979:81). Thus, even as capitalist relations of production "spread worldwide to unify human society", they "engender a perilous and convulsive fragmentation of society" (Nairn 1977:34).

Within this model national divisions do not define class divisions, just as class divisions do not define national groupings (Leifer 1981). The reproduction of cultural division cannot be separated from the reproduction of class division and vice versa. The process of defining the

national interest has a direct impact on the day to day interests of the national community and in a society divided into classes, these interests, espoused in the name of the nation, can never be class neutral (Benner 1988). Some classes or sections of classes stand to benefit more than others from the national movement, hence rather than seeking to identify the social classes or groups that tend to lead nationalist movements, the focus should be on explaining the interests which divide classes between a national and a non-national or anti-national orientation.

This perspective forms a key element in Breuilly's discussion of the state and nationalism and of Anderson's uneven development perspective as it allows analysis of wider socio-political tendencies that weld together the different class fragments into a national constituency. As emphasised by Hroch, nationalist movements are founded on particular material circumstances and these circumstances change over time. At its inception for instance, a nationalist movement may have bourgeois connotations which at a later date may be displaced by working class or peasant based connotations (or vice versa). By taking this approach, analysis can focus on the conflicts between classes to define and control the 'national interest'. This, the class dynamic of a "national" movement - whether it welds core to periphery within the existing state apparatus or challenges the state apparatus by demanding independence for the periphery - is located within the movement itself as well as between the nationalist movement and other political configurations.

This interpretation of material interests and nationalism can be explored using first, a model of "reactive" group formation that sees nationalist movements as emerging out of a "cultural division of labour" (Hechter 1975) and second, a model of "interactive" group formation that predicts the emergence of nationalism out of a "segmented" division of labour (Hechter and Levi 1979). The "reactive" model states that the 'national' perspective is shaped by reaction to a cultural division of labour. This process of reacting against discrimination in the "core" labour market is seen as the central factor in determining the class connotation of the 'national' movement. In adapting this, the "interactive" model suggests that competition between classes in the 'national' segment is as important



for the development of nationalism as the relationship between this segment and the "core" labour market. Competitive conflict within the 'national' constituency is seen as playing a key role in the definition of the policies that are pursued in the national interest and hence come to define the class connotation of the national movement.

While the second model stresses the role of class conflict within the 'nation' in defining the ideological appeal of each particular nationalism, both explain national division as the outcome of either absolute or relative deprivation and thus can be linked to neo-Marxist interpretations of the global capitalist 'system'. For instance, territorial politicisation of peripheral communities in Western Europe during the 1970's was intimately linked to class interests as well as to communal attachments - nationalist and regionalist political movements - for example, in the Basque country, in Scotland and in the Breton region - were "forced to address class issues" in competition with state-centred political parties (Keating 1988:172).

Nationalism though cannot be explained solely in terms of relative deprivation. This model can offer little explanation of the enduring strength of integrationist nationalism in economies with high regional deprivation (Northern Ireland for instance) and the strength of secessionist nationalism in relatively advantaged regions (the Basque region of Northern Spain) where national movements may be mobilised in defense of or against the existing state apparatus, in apparent contradiction with patterns of relative deprivation. Over-emphasis of the role of class interests may ignore altogether the central issue of why classes or class fractions mobilise along nationalist rather than internationalist lines. It can also lead to a dependence on psychological concepts of false consciousness wherever a direct class interest in the nation cannot be detected (Avineri 1990).

It is only in interaction with definitions of cultural differences, including historical and institutional differences, that the class dynamic assumes a national form and, it is only in the context of ideological conflict and in the context of claims to 'national' state sovereignty, as stressed by Breuilly, that these 'national' movements are mobilised. These lines of cultural

difference along which employers discriminate and which become the cultural markers in a "national" division of labour play a key, even central, role in the definition of a national movement.

As the lines of class exploitation are blurred with the lines of 'national' oppression, no historical priority can be accorded to cultural or to 'ethnic' differences, contrary to Smith; and 'national' struggles are not simply interpreted as class struggles, contrary to Blaut (1987). In the context of cultural difference, the class dynamic is both exploitative and oppressive and hence it defines national divisions as well as class divisions. Effectively the interaction between class and ethnicity in the definition of a national constituency is seen as a two-way interaction that reduces the "autonomy" of both (Liefer 1981).

The focus is on "the relations which are established between classes in the determination of the nation" (Munck 1986:157) and on the tension between class fractions whose interests are defined in a transnational setting and those whose interests are largely defined within the 'national' framework. As Nairn argues, this tension between cosmopolitan, transnational class formations and 'national' class formation is a consequence of the clash between the unifying logic of the forces capitalist development and the fragmenting logic (or rather illogic) of capitalist relations of production, which pit one culturally defined 'national' group against another in the struggle to maximise capital accumulation.

This perspective on the relationship between national struggles and class struggles under capitalism and its role in defining a material interest in the nation forms a key element subsequent Sections. Chapter 4, which offers an historical account of Ireland's national conflict, focuses first on material interests and suggests that linkages between cultural division and class division led to uneven North-South economic development during the nineteenth century that to a degree was reversed in the mid-twentieth century, with significant implications for the stability of national class alliances, particularly in Northern Ireland.

This theme re-emerges in Chapter 7, which is devoted to examining the material impacts of EU integration on the conflict. It is argued that tensions are emerging between national class alliances and an emerging transnational all-Ireland class formation, which are likely to force a re-constitution of Ireland's national class alliances. The Chapter investigates the various EU-related pressures for trans-national North-South economic integration in Ireland, counterposed against the pressures for continued and in some respects, sharpened North-South national division. The relative strength of pressures for all-Ireland capitalist collaboration and for North-South competition are assessed and are linked to the analysis of ideological conflict in Chapter 8 and state policies in Chapter 9.

### *Ideological conflict*

Material interests define national constituencies but they are in themselves insufficient to explain national consciousness. To develop an understanding of nationalism's "popular resonance" these material interests must be linked to social and political conflict (Hobsbawm 1990:264). This takes analysis into the field of ideological conflict, both within the 'national' community over the definition of 'national' interests and between dominant and subordinate 'national' communities over the power to define and control political or social development.

In the field of political conflict, the "mask justifying man's exploitation by man", instead of being carried by the commodity form as in economic conflicts, is vested in an ideological domination that unifies the dominant class, neutralises opposition (Lefebvre 1966:31) and in the process, defines whole swathes of civil society as uncontested territory "free from politics" (Habermas 1976:22). To do this, a form of 'common sense discourse' emerges which presents the sectional interests of the dominant elites as no different from the wider interests of the mass of the population (Larrain 1989). Ideological "means of legitimation" are mobilised to suppress the reality of inequality and so construct a collective - often 'national' consciousness that submits to the prevailing order (Femia 1981:33). This "free subjection" that sees the individual "interpellate" her or himself - for instance as a "national" subject - influences behaviour and plays a key



material role in maintaining the relations of production (Adamson 1991:64; Althusser 1984).

But ideologies are not uncontested. Dominant ideologies constructed by class-fractions organised into a class alliance - whether it is for example, between landed aristocracy and a mercantile bourgeoisie or between a skilled segment of the working class and a cosmopolitan bourgeoisie - are necessarily partial to the interests of some social groupings over others. The particular day-to-day experience of inequality and suppression maintains the "resistance embedded in the existing forms of popular culture and subjectivity" and ensures that bipartisan 'common sense' is not easily constructed (Schwarz 1986:179).

The direct experience of the "excluded" groups and also those which have a relatively weak bargaining position within the class alliance will develop a consciousness which rejects the interpretation of events supplied by dominant ideologies. Hence, civil or 'national' society will rarely - if ever - be fully subordinated to the hegemony of the 'nation-state'. Subordinate groupings emerge which construct a competing concept of political legitimacy and challenge the definition of what is and what is not a 'political' issue. By offering an alternative interpretation of 'the political', they can claim legitimacy for a new class alliance challenging the dominant hegemony. Hence, "the ideological domain becomes the major focus of class struggle" in a civil society that is fractured between acceptance and rejection of the current hegemonic definition of 'the political' (Adamson 1991:69).

Nationalism stands at the centre of these ideological struggles. Whether national movements are seeking to redefine the 'national interest' or whether they are seeking to contest the legitimacy of current 'national' rule, they must build a bipartisan class alliance that can claim to speak for 'the nation'. This is reflected in many anti-systemic movements which quickly reconcile themselves to the 'national' framework. For instance, the history of the international labour movement - from Marx's insistence that workers must become the "leading class of the nation" to the Soviet declaration of "socialism in one country" and - somewhat less

momentously - to the British Labour Party leader's insistence that he be photographed in front of the Union Jack (in 1984) - is replete with concessions to the national principle (Barnett 1989:141). As the entire concept of "popular sovereignty" is locked into the state framework, any class trying to gain the lead in an hegemonic conflict must in some way define itself as "the unique true expression of the nation" (Gramsci 1971:52; Barnett 1989:148; Munck 1986).

There are however, indications that social and political movements are increasingly orientated to a transnational, often global, framework of ideological conflict (Wallerstein 1991:111). The tension between a transnational and a national focus for social and political conflict reflects a broader tension in contesting the ways in which global capitalism - as Nairn puts it - takes societies 'by the throat'. One way of resolving this tension, as has been described, a route taken by many anti-systemic movements is to establish a 'bridge-head' at the 'national'-state level. But as the development of global capitalism begins to have trans-national regional and global consequences that override individual state initiatives, the act of contestation has become increasingly transnational.

There are signals that such a transnational and in many instances, global or supra-state regional political awareness, founded on a shift in perceptions of material interests, potentially disruptive of 'national' political ideologies, is emerging. But the ideological blockages to this trans-nationalisation, stemming from the persistence of the 'national' framework for social and political struggle, are significant. Class conflict is no less linked to 'national' conflict, political struggles have, for the most part, been fought at the 'national' state level and political consciousness tends to remain focussed on the 'national' state framework.

This is no less true of Ireland's national conflict. Chapter 4 investigates how these ideological conflicts have been fought out in recent history, between Britain and Ireland and within Ireland. At the EU level, also, there is intense ideological conflict between national states and the EU institutions pursuing an EU regional framework for politics, which are discussed in Chapter 5. Chapter 8 brings these together in examining the

tendencies towards a transnational framework for political conflict, related to transnational integration in the EU, over issues relating to all-Ireland, North-South development.

It is argued that this is leading to a heightened ideological commitment to such transnational political frameworks, particularly by Nationalist and increasingly by Republican politicians, as they are seen as helping to re-integrate Ireland, while Unionist and Loyalist politicians have generally been more cautious, seeing such transnational integration as threatening British sovereignty in Northern Ireland. Despite these uneven ideological responses, it is suggested that, as ideological conflict is pressured into a regionally defined all-Ireland framework, in the context of EU integration, this signals at least a partial re-alignment of Ireland's national conflict.

### *State Policies*

The concept of the 'national' state and of the 'national' interest, expressed in state policies, is central to the development of nationalism. The universal claims of nationalist ideology - the claim to 'sovereign' legitimacy and to a monopoly of legitimate violence within the 'national' territory - pattern conflict in civil society and serve the specific interests of the dominant national class alliance.

As state legitimacy became increasingly populist - whether due to print capitalism (Anderson 1991), the spread of Liberalism (Kedourie 1966), the need for state education (Gellner 1987), or the linkage between class and cultural consciousness (as argued here) - the sovereign state was forced to become more pluralistic. The state became the "framework for citizens' collective aims" by virtue of its claim to universal secular power over a population (Hobsbawm 1983:264). Only the state could unify a concept of universal sovereignty with a concept of the "nation" and so satisfy the demand for popular sovereignty and only with nationalism could the idea of popular self determination become a possibility and so give popular legitimacy to the concept of the 'nation-state' (Anderson 1986; Knight 1983:118; Breuilly 1982; Seton-Watson 1986).



But capitalist states, by definition, primarily serve the interests of capital, rather than the interests of their 'national' citizenry. In the first instance, state legitimacy is crucially dependent upon an ability to siphon off resources from civil society and transform them into structures that maintain the unity of an hegemonic bloc. Just as a dialectical relationship within the absolutist state can be traced between the dynastic ambitions of warring monarchs and the prosperity of a mercantile bourgeoisie, so the modern state is dependent on private industry and the continued accumulation of capital (Tilly 1975:613; Anderson 1974).

State structures are "constituted with and by class contradictions" and are - in essence - a "condensate of a relation of power between struggling classes" (Poulantzas 1978:72-74). State policies then, are necessarily partial and aimed at constituting a hegemonic class alliance in civil society. The claims espoused by the state - to guarantee economic growth, to dispense justice, to educate according to merit, or to provide democratic control over the 'political' arena - all exist in contradiction with the perpetuation of an unequal society. Hence, state sponsored nationalism masks "selfish vested interests" and the state's autonomy as the embodiment of 'national' aspirations - its claim to political legitimacy - is punctured (Carr 1984:88).

In effect, the state is tied to the contradictory role of shoring up a class alliance whilst securing mass consent. The state attempts to define a people as 'subject' to a prevailing order and to be effective, it must fuse a range of interests into a class alliance capable of securing consent from a 'subject' population - a process of manufacturing consent that contrasts with the purely repressive aspects of social control which only yield co-operation through domination (Hall 1986:67). Consequently state policies delineate a boundary between consent and repression that reflects the division between those benefiting and those suffering from the effects of state hegemony - effectively those 'inside' the those 'outside' the 'national' class alliance (Gramsci 1971:106).

As the 'national' community is held together by linking cultural difference and class interest, so the 'national' interest as pursued by the state has to

constantly reaffirm this linkage. 'National' states must devise policies that serve the interests of the various segments of the 'national' class alliance, and clearly define 'insiders and 'outsiders', if they are to retain legitimacy. As they are applied in the context of a dynamic interaction between cultural division and class conflict, these policies are immediately understood within a political framework that has both class and national connotations. Indeed, the strength of the political doctrine that the state can and should be the personification of the people - the political doctrine of nationalism - resides in this ability to express the combined impact of class conflict and 'national' social division at the level of state hegemony. In effect, the state must be capable of shoring-up the 'national class alliance on which it depends.

This imposes an internal logic on state policies that is exacerbated by the confrontation of national states in international politics (Rokkan and Urwin 1983:119). Every effort at forming or strengthening a state sponsored nationalism is contradicted by the necessary partiality of state policies and, just as significant, by the response of other state sponsored nationalisms (Watson 1990:209). Indeed, ironically, increased socio-economic integration on the 'national' state model accords greater significance to territorial authority over resource distribution, highlighting lines of domination and transforming regions into objects of political struggle (Keating 1988).

The very policies designed to address regional disparities often bind peripheries into a closer dependence on the core and highlight lines of cultural subordination. If the state raises public expenditure in disadvantaged peripheries or colonies it merely confirms dependence as interventions are multiplied in response to disequilibria in the periphery (Rivera-Ramos 1990). Attempts at welding peripheral cultures to the "national" state - for instance by creating "national pilgrimages" (Anderson 1991:121) or by inventing "national" memorials and events (Hobsbawm 1983) are as likely to reinforce the cultural dimensions of peripheral nationalisms. Indeed, they fail to shore-up state-centred national loyalty precisely because they are carried out by a politically biased 'national' state. This impasse results in a political 'sclerosis' that in liberal democracies produces an irreconcilable contradiction between class-based political

parties linked to 'official' nationalism in the 'core', wielding majority control, and minority regionalist or nationalist parties based in the 'periphery'. The transnational dimension offers a possible positive-sum avenue out of this impasse as, if states are able, jointly, to devise and implement policies then these, by definition, would operate outside of the 'national' framework.

This interpretation of state policies as servicing a class alliance while formally committed to serving the general needs of the 'nation' is used to guide Chapter 4's historical analysis of state policies in Ireland. As illustrated by the EU experience, which is analysed in Chapter 5, the policies of inter-national organisations are also necessarily partial, in serving the interests of a trans-national class alliance, and in constructing an EU hegemony linked to non-state institutions which, with time, has become a focus for political struggle. Chapter 9 brings these two strands of analysis together to examine the pressures for North-South institutions in Ireland to express the transnational interests of Ireland as a region in the EU. Like EU structures these transnational bodies would be both an instrument of dominant interests in civil society and would serve the general, regional interest and like the national states before them, would be subject to popular political pressure. Although trans-national elites may attempt to stand above society and attempt to insulate transnational institutions from popular politics, they would never be fully autonomous of broader social forces, raising the question of how such trans-national all-Ireland institutions are likely to affect national identifications and the national conflict.

### *Relating the aspects of analysis*

Three aspects shaping the analysis have been distinguished. These do not have an independent existence but instead are patterned by each other. They are not conceptualised as existing in a hierarchy in which 'superstructure' is determined by the 'base' - a "problem of the relations between structure and superstructure" that has to be resolved not by concepts of hierarchy and priority but by concepts of interaction, reciprocity and immanence (Gramsci 1971:177,366). Each has 'relative autonomy' from



the other, with for example, state policies and ideological conflict affecting conflicts over material interests as well as material interests shaping ideological conflict and state policies (Gramsci 1971:175).

Unifying each aspect is an overarching conflict between hegemonic and anti-hegemonic forces. The three aspects are bound together in an organic "movement", locked into a dynamic that "depends on the existing social relationships" (Cox 1982:182; Lefebvre 1966:124). This is embodied in a contradictory logic, derived from the dual imperatives of capitalist development, between the forces of productive capability and the relations of productive ownership. This stems from a direct clash of interest in the capitalist labour process, between the interests of capital and the interests of those producing surplus value, which is most sharply exposed in the contradiction between the formal exchange of equivalents (wages for labour at the point of production and wages for products at the point of sale) and the expropriation of surplus product that is the object and result of the labour process (Sweezy 1942, Lefebvre 1966). This contradiction must be seen as patterning each of the three aspects of analysis - allowing society to be analysed as a whole rather than as a series of parts (Gramsci 1971:450). In material interests the doctrine of equal exchange clashes with the reality of unequal distribution; in ideological conflict the universal claims of ideology are undermined as soon as they are articulated in an unequal society; and in drawing up and implementing its policies, the state is necessarily partial, no matter how broadly-based its hegemonic bloc.

The terms of these conflicts shift over time, according to the different conditions of capital accumulation, preventing a lapse into ahistorical analysis. For instance, as a crisis in accumulation emerges, so "terrain more favourable to the dissemination of certain modes of thought and certain ways of posing and resolving questions" may be opened up (Gramsci 1971: 180-4). As the "material productive forces of society come into conflict with the existing relations of production" the nature of politics is transformed in its ideological aspects and in its state-political aspects as much as in its material aspects (Marx 1971:21). Hidden contradictions are unveiled to expose an entirely new domain of political and "cultural struggle" (Mattelart 1980). On entering this political terrain, wars of

position in the material, ideological and state-political aspects, in which only the terms of conflict can be modified via a form of "passive" revolution, become wars of manoeuvre where entire structures of domination can be overturned (Gramsci 1971:106).

This concern to trace the common inter-connections between the three aspects of analysis is reflected in the structure of Chapters 6, 7 and 8. The Chapters focus on tensions between increasingly trans-nationalised forces of production and still largely nationalised relations of production. The political opportunities exposed by these tensions are explored in Section 4. Consequently, this Section employs a different mode of analysis from Sections 2 and 3, partly reflecting its source materials. This is briefly discussed here, as an outline of some of the issues that are discussed in greater detail in the Methodological Appendix (Appendix 1).

### *Analysis of Political Action*

To conceptualise how nationalism is reproduced in an increasingly transnationalised context it is necessary to go beyond analysis of historical and contemporary tendencies to investigate how the political actors themselves actively re-constitute their political positions. This problematises the processes of reproducing nationalism in the context of transnationalism and is aimed at highlighting immanent tendencies or momentums to point up likely developments in the conflict.

As is outlined in the subsection above, the historical and contemporary relationships between nationalism and transnational integration can be examined using analytical distinctions between the various aspects of socio-political life. This approach is less relevant for the analysis of political action as the positions adopted by political actors are not easily reducible to analytical categories. Consequently there is an attempt to step beyond 'structurally' orientated analysis, to allow a more open-ended investigation of political discourse. Though this involves only a relative shift in methodology, there are tensions between the different approaches, arising

from the source material, raising issues of agency and structure which reflect broader debates between 'relativism' and 'essentialism'.

Interview material clearly requires a different form of analysis than other source material. Unlike analysis of written material, interview discourse is highly contingent - interviews are one-off events influenced by the interviewer as much as the interviewee and different interviews held at different times or by different interviewers would be likely to yield different results. Interviews are a type of "social action", they are intersubjective events which allow a "joint construction of meaning", illustrating historical relationships and tendencies (Potter and Wetherell 1992:41, 1991). Thus they can be used to highlight how such relations are maintained, allowing a focus on the process of explanation and argument - the "laws of becoming" - as much as on their content (Hammersley 1989:73). This is particularly useful here as it allows analysis of how actors reconcile or manage the competing logics of national conflict and transnationalism as in a real sense, politicians live through and attempt to reconcile the resulting contradictions and ideological dilemmas (Billig 1988:202).

This approach to interview analysis rejects a firm distinction between 'structure' and 'agency'. On the contrary, they are seen as "existentially interdependent" (Secord 1982:33). Both are implicated in the analysis of interview material, just as both enter into earlier analysis of historical and contemporary written material. For instance, although there is clearly greater emphasis on political 'agency' in Section 4, the analysis is clearly shaped by earlier discussions of historical tendencies. Structural context and social agency are thus intertwined, stemming from the conviction that 'structure' and 'agency' are inter-determining. Social change is seen as the outcome both of structural tendencies and of the viewpoints, decisions and actions of those who are part of those structures: political consciousness has a material impact on the way people behave; the way people behave shapes and re-shapes social structures; and social structures influence political consciousness.



What this methodological shift does imply though, is a distinction between the researcher as a participant in the research process, constructing theoretical frameworks and historical analysis and the researcher as part of the research process, as an interviewer in an interactive dialogue. This methodological distinction is reflected in the shift of emphasis in Section 4, from the three-part analytical framework to a more flexible approach aimed at developing typologies of the various political positions - content analysis that is complemented by discourse analysis aimed at investigating how political positions are realigned or maintained.

### *Chapter conclusions*

As outlined in the Introduction, this study investigates the apparent paradox that transnational forces appear to sharpen national divisions. To do this analysis focuses first on material interests and on how 'national' divisions are reproduced by linkages between cultural difference and class interests. Second, it examines ideological conflict, highlighting how social and political conflicts reproduce national or nationalist ideologies. Third, state policies are investigated, to map out how 'national' state elites devise policies which reproduce, or adapt, 'national' constituencies.

This three-part analytical framework is patterned by an over-arching tension between the fragmented 'national' states' system and the single, integrated, global capitalist system. Indeed, this dual logic of globalisation and national fragmentation is inscribed into the process of capitalist development. Paradoxically, global integration and national division are bound together in an interdependent relationship: as transnational forces are strengthened there are perhaps greater pressures to define material interests in national terms, for ideological conflict to be dominated by nationalism and for state policies to be aimed at serving nationally-defined interests.

Sections 2 and 3 use the three-part analytical framework to analyse the interaction between national conflict and transnational integration: Section 2 analyses the historical context of national conflict in Ireland and of

transnational and international integration in the EU. Section 3 brings the EU and the conflict together, in an analysis of recent historical and contemporary developments.

Section 4 uses interview material to focus more explicitly on the interaction between national conflict and transnational integration. The Section examines the dilemmas faced by political actors when they are forced to reconcile or manage the competing demands of national politics and transnational integration and draws up typologies of political positions to contrast how they respond.

In the following Section then, the case study begins with an historical overview - of the national conflict in Chapter 4 and of the process of EU integration in Chapter 5.

# Section Two

## Historical Roots

### *Section Introduction*

This Section uses the framework developed in Chapter 3 to analyse the historical relationships between national division and transnational, regional integration in Ireland, North and South (Chapter 4) and in the EU (Chapter 5). It analyses in separation what is later - in Sections 3 and 4 - analysed together. It thus serves as an introduction, contextualising later discussions. The competing pressures to national division and to transnational, regional integration are mapped out both for Ireland and the EU, before examining the more specific relationships between them.

Both Chapter 4 and 5 focus on the tension between the logics of nationalism or national statism and the logics of transnational integration. They begin with a brief outline of earlier historical developments before using the analytical framework to focus on developments since the 1960's. In each, material interests are examined first, followed by some consideration of ideological conflict and finally, some analysis of state policies and regional policies at the substate and EU level.

Each of the three aspects of analysis is shaped by tensions or contradiction between the globalising, homogenising tendencies of capitalism and its fragmenting, divisive tendencies which, it is argued, pattern social order at every level of the global political economy. There is generally an historical 'lag' between the changes in the definition of material interests and reciprocal changes in the definition of ideological conflict and in the role of the state. While semi-autonomous from each other, each of the three



aspects are also interdependent and such mismatches lead to discontinuity and disruption of political relations. It is suggested that as a result, there are similarities between tendencies in Ireland and in the EU, which are briefly highlighted in the Section Conclusions.

## Chapter 4

### National divisions in Ireland

This Chapter begins with a short account of north-south divergence and national conflict in Ireland, from the 1801 Act of Union to Partition in 1921, focusing on uneven development and socio-economic divergence in the late nineteenth century. This is followed by a more in-depth analysis, using the three-part framework developed in Chapter 3, to examine North-South convergence in the mid to late twentieth century, leading attempted North-South rapprochement in the 1960's and again in the 1990's.

Following the arguments outlined in Chapter 3, it is argued that North-South division in Ireland emerged out of three complementary developments: first, a combination of uneven economic development and sectarianism in the labour market; second, political action by unionists and nationalists; and third, state policy (Stewart 1992). Discussion of the pressures for North-South convergence then, focuses on the degree to which there has been a reversal of uneven development and an associated removal of sectarian labour relations; a realignment of political consciousness and associated political action by social and political actors, North and South; and a reorientation of state policies to express increased North-South convergence.

#### *Historical Background - uneven development and regional divergence in the nineteenth century*

Nineteenth century Irish history is dominated by sharp economic decline over much of the island, except in parts of the north, which became highly industrialised. The 1801 Act of Union, which was imposed after the "United Irishmen" had been repressed integrated the relatively weak Irish economy into the circuit of British-based capital and led to industrial

collapse and rural depopulation across much of Ireland (Murray 1903:416). Free trade under the Act gave British exporters unlimited access to the Irish economy, while monetary union between Sterling and emerging Irish currencies, also in 1801, systematically constrained Irish growth patterns. At the same time domestic Irish purchasing power was undermined by British taxation policy. Before the Union Ireland contributed £2.5 million in taxes to the British Treasury. After the two taxation systems were merged in 1817, this doubled to £5 million and by 1896 Ireland was contributing £7 million despite a halving of the Irish population over the same period (due to emigration and the mid-century famine) (Murray 1903:399; Strauss 1951).

The result was a process of "arrested development" (Riordan 1920:280). The depression of the mid 1820's that immediately followed the removal of tariff protection for the Irish cotton industry led to the closure of half the cotton factories in Ireland and woollen producers were reduced to 10% of the Irish market (Cullen 1972:13). Where British products had penetrated the local economy, British railway capital followed, with an extensive railway building programme - linking all the major garrison towns by 1855 and adding a further 100 miles by the 1870's (Lee 1973). When the world economy entered the next slump (in the mid 1870's), industries producing consumer goods, which had to some extent re-established themselves, were particularly affected, as cheaply produced British goods flooded into the now easily accessible Irish market.

The destruction of all but the sturdiest sectors of southern industry from the 1820's was paralleled by an expansion in commercial agriculture, on the back of increased British corn prices, fuelling a rapid growth in rural population and leading to extensive subdivision of landholdings (Kennedy 1988). With the abolition of the Corn Laws (1846) and rising British beef prices, exports of livestock that had remained unchanged for 160 years, rose 600% between 1820 and 1870 (Mjoset 1993:215). Landowners converted land holdings into vast tracts of pasture that some have likened to the Latin American 'latifundi' (Probert 1978). By 1850 the amount of smallholdings in Ireland had been halved and dispossessed tenants flocked to northern Irish and British to find work. By the 1860's one tenth of the



navies in Britain and a quarter of the population of Liverpool were Irish (Hunt 1981). Many others emigrated to the US while those left behind filled the workhouses (in 1851 there were 102,818 in Irish workhouses). Later in the nineteenth century an international depression in the prices of agricultural produce (the price of beef fell by a third between 1876 and 1885) and the progressive penetration of British meat and dairy markets by overseas competitors once again undermined the Irish economy: the total value of agricultural exports from Ireland to Britain fell by a third and again the pace of Irish emigration increased (Solow 1971:171).

For much of the nineteenth century, and into the twentieth, the Irish economy had become dependent on highly unstable British markets for agricultural products - an "entirely inadequate... sheet anchor for the Irish economy" (Strauss 1951:174). With domestic industry unable to provide new jobs and emigration failing even to supply a short term solution to rural poverty, the demand for a more equitable spread of landownership became the dominant political issue. Reflecting the distorted nature of the Irish economy, this "struggle to retain control of the land for those who worked it" (Mitchell 1974) pivoted on a class alliance between an impoverished tenant class and an Irish middle class concerned to protect the Irish economy from British exports and gave birth to a nationalist movement aspiring to self determination and national independence from the British state (Strauss 1951).

The pattern of industrial decline, rural poverty and crucially, middle class alienation from the British state was not true of the whole of Ireland in the nineteenth century. Industry in the northern towns of Ireland resisted competition from large British producers and by the end of the nineteenth century the region had become the world's largest producer of linen and possessed the world's largest shipyard (owned by Harland and Woolf). Explanations of this uneven development have been hotly contested, not least because of their contemporary implications. Leaving aside sectarian arguments that the Protestant communities of northern Ireland possessed a higher level of business acumen than their Catholic counterparts (See Rosebaum 1912), three broad explanations can be identified. The first centres on what is said to be a unique structure of land holding in

Northern Ireland which, it is argued, granted Protestant tenants security of tenure and fair rents - an "Ulster custom" - which contrasted with conditions elsewhere in Ireland where there was little or no security of tenure (Probert 1978; Boserup 1972:159). This view has been challenged on the basis that the so-called "custom" made very little difference in practice, not least because agricultural land in Northern Ireland was peculiarly non-productive (Solow 1971:31).

A second explanation focuses on the labour market in the north, which, it is argued, allowed the super-exploitation of 'unskilled' labour. While 'skilled' work in textiles, shipbuilding and engineering attracted wage rates significantly higher even than equivalent jobs elsewhere in the UK, wage rates for unskilled occupations were driven well below the worst UK rates of pay (Bell 1987; Patterson 1980; Armstrong 1951). It is argued that this reflected sectarianised labour markets in the north, combined with large inflows of unskilled labour from the south. As it was forced off the land, labour flocked to the cities and Belfast grew from a small town of 20,000 in 1835 to a city of 100,000 by 1850, with the fastest growth during the linen boom which coincided with the decline of tillage in favour of pasture on the land. The middle classes and the skilled labouring classes, dominated by Protestants able to restrict access to occupational and professional privilege, were relatively insulated from this reserve army of migrant labour - unlike unskilled Protestants and Catholics. The result was sharp social inequalities in the north, combined with rapid industrialisation as overall labour costs were kept well below British levels. One problem with this approach is that the southern towns also experienced an influx of migrant labour willing to work for low wages, which points to the possibility that the north's middle class were particularly well placed - geographically and socially - to take advantage of these labour market conditions (1).

This third explanation centres on the uneven access to overseas markets via Glasgow and Liverpool and to sources of British-based finance. As Irish cotton manufacturers lost their domestic markets to British producers those in the north re-invested to produce linen for international - particularly US - markets. The industry was organically tied to British trade



routes, by 1861 75% of Irish linen was exported (70% to the US), and the 'cotton famine' caused by the American Civil War accentuated this dependence as linen exports expanded from £6m to £10m in the space of one year (1863-4) and employment rose to 57,000 by 1876, peaking at 69,000 in the 1890's. This rapidly expanding linen industry, centred on Belfast, gained economies in handling, insurance and finance that were not available elsewhere in Ireland, and Belfast became Ireland's entrepot. By 1900 two thirds of all Ireland's exports were routed through the city, boosting the city's shipbuilding and machine production industry, with employment in the industry rising to 30,000 by 1915, supplying ships primarily for British mercantile capital.

Whatever way uneven development is explained, there can be little doubt that it led to the creation of a northern bourgeoisie organically linked to British capital. While Belfast was dominated by the shipbuilding and linen industries, the rest of Ireland was left behind. In 1890 shipbuilders, linen magnates and the export oriented elite of Belfast jointly employed 35% of the northern workforce, contrasting with the southern bourgeoisie which directly employed only 13% of the southern workforce, primarily in food processing and distribution tied to Irish internal markets (with Dublin brewing as the exception) (Kennedy *et al* 1988:8). Dependence on British trade routes and British sources of finance bound the interests of northern capital to British political parties and industrialists - against a much weaker southern bourgeoisie concerned to protect its potential industrial base in the face of overseas competition.

The class interests of northern workers were also interwoven with the politics of nationalism and unionism. As Belfast's Catholic population increased from 10% in 1800 to 33% in 1850 and 43% by the end of the 1860's, Protestant patronage gained a heightened significance (Gibbon 1975:96; Pringle 1985:11; Rumpf and Hepburn 1977). Patron-client relations became the key to gaining employment in the cities; the Orange Order which had played a key role in repressing the United Irishmen, and for some years had been in decline, reemerged, acting as an 'employment agency' for migrant Protestants bearing "Certificates of Character" from their landlords (Buckland 1973:22; Boserup 1972:16; Pringle 1985:209; Gibbon 1975:16).



Meanwhile, inter-communal competition between less advantaged Protestants and Catholics boiled over into a "whole series of riots" that transformed the nature of politics in Northern Ireland (Rumpf and Hepburn 1977:165). From the 1850's riots became less localised and more segregated along occupational fault-lines (Gibbon 1975). Riot became a political act with deep roots in the dual labour market that was emerging in Belfast's linen and shipbuilding industries. Skilled Protestant workers from the new shipyards and engineering factories quickly became the elite of anti-nationalist extremism, expressing emerging political divisions in the unevenly developed Ireland of the nineteenth century. Riots in 1864 for instance, on the day a statue was dedicated to O'Connell in Dublin, led to the first attempts at expelling Catholic labour from Belfast's shipyards. After similar riots during the 1892-3 Home Rule crisis, Harland and Woolf sacked 190 of the 225 Catholic workers and the remainder were expelled in 1912 (Goldring 1991:61) (2).

Hastened by the Home Rule crises of 1886 and 1896, this new variant of working class unionism became allied with the increasingly strident unionism of the northern bourgeoisie. This political alliance between workers, tenants, factory owners and landlords was expressed in the Ulster Unionist Party, which was founded in 1912 and gave political force to the logic of uneven economic and social development that had been etched into Irish society.

These patterns of uneven socio-economic and political development, north and south, and the degree to which they were reversed in the mid-twentieth century are examined in what follows, using the theoretical framework drawn up in Chapter 3.

### *Material Interests*

Exponential divergence between north and south in Ireland during the nineteenth century culminated in the Partition of 1921 and during the 1930's and 40's the South pursued its separate development path while the

North sought greater integration with the British economy. Blocked economic development in both parts of Ireland during the 1950's was followed by a brief period of convergence. Both North and South sought to attract global capital investment, leading to a rapid reorientation of economic development from heavy producer industry in the North and from agricultural commerce in the South to mutual dependence on externally-owned, consumer-orientated manufacturing industry. The weakening of this strategy in Northern Ireland, largely due to political inflexibility and sharpened conflict in the North's particularly brittle political system during the 1970's and 1980's, led to renewed economic divergence, until the 1990's when mutual integration into the SEM offered a new agenda for North-South convergence. This sub-section examines these economic shifts and associated material interests.

### *North-South convergence*

Nineteenth century economic divergence between north and south was exaggerated by Partition and was sustained until the 1950's when a process of North-South economic convergence began to emerge. The nineteenth century had seen the growth of an indigenous industrial base in the north but deep interdependencies between the three leading sectors of the northern Irish economy - linen, engineering and shipbuilding - made it particularly vulnerable to structural shifts in the world economy. Even in the 1890's the linen industry in Northern Ireland was "capturing a larger share of a declining market" and fifty years later both the linen and the shipbuilding industry were to face terminal decline (Cullen 1972:159). At the same time conditions on the periphery of the British economy rendered Northern Ireland incapable of diversifying its highly vulnerable industrial base. There were two reasons for this.

First, there were labour market constraints. As noted earlier, exceptionally high rates of pay for skilled labour and unusually low rates of pay for non skilled labour had been a feature of the economy since the mid nineteenth century (3). Northern Protestants maintained a relatively secure domination of these skilled occupations with 34% of all Protestants in Northern Ireland employed as skilled labourers in 1911 (the corresponding

figure for Catholics was 24%). This short-circuited militant trade unionism and maintained stability in the Protestant class alliance until the shipbuilding and linen industries collapsed in the 1950's.

Industry was unable to reorientate itself to changing conditions without challenging the job security of its largely Protestant skilled workforce in the 'new wave' industries of chemical engineering, synthetic fibres and electrical engineering, all of which required a labour process that did not rely on the 'skilled' labour of a minority of employees and by 1971 only 19% of Protestants were skilled labourers (17% of Catholics) (Bew *et al* 1979:167). This was partially resolved by an increase in white collar employment but there were many less skilled, less well connected Protestant workers who lost out, thereby destabilising the Unionist political bloc.

Second, there were financial constraints. Without access to a large local market, industry lacked a guaranteed rate of profit and was unable to finance re-investment. The structure of banking and finance together with the deficit on the trade balance with Britain made sure that Northern Ireland capital was constantly drained off into the wider UK economy. Most of Northern industry was privately owned (60% in the 1950's as compared with 36% in the UK) and hence was dependent upon Northern financial markets that were rarely in a position to create the required credit (Stormont 1957). This provided an almost water-tight guarantee that the Northern economy would be unable to modernise itself as, in spite of a steep rise in British government expenditure in Northern Ireland, rising by 600% between 1946 and 1963, capital flows into the region were dwarfed by capital outflows (4). The result was under-investment in existing and new capital ventures, leading to falling productivity. Capital formation slumped by over a third in the 1950's and British based multinationals such as *ICI*, *Viyella* and *Cortaulds* sidelined the declining linen industry and invested in labour shedding sythetic fibres. There was a 28% cut in manufacturing employment, 10% more than in Britain between 1950 and 1961, and unemployment rose to 7.8% while in Britain it remained at 1.8% (Stormont 1962:70).



This stimulated a reassessment of economic policies in the early 1960's. The result was a programme of state expenditure designed to improve social and economic infrastructure and to revitalise the local economy by attracting multinational capital to the region.

In the South there were similar shifts in economic orientation. From 1932 De Valera's Fianna Fail government introduced a policy of economic autarchy aimed at increasing industrial growth through import substitution. High tariffs led to a 40% rise in industrial production from 1932 to 1936 while industrial employment rose from 60,000 to 100,000 between 1926 and 1938 and continued to rise, to 184,000 by 1951. But given limited domestic demand, this strategy had its limits and by 1939 growth in industrial output had declined to single figures. Reflecting this, industrial employment began to decline after 1951, falling to 172,000 by 1960.

As in the North, this stimulated a shift in economic policy towards attracting international capital and towards export orientated growth. Under pressure from the US and from the Organisation of European Economic Cooperation there had been some liberalisation of Irish trade during the short-lived Fine Gael governments of 1949-51 and 1954-57 and some attempt at attracting overseas capital - from 1949 with the creation of the Industrial Development Authority (IDA) which had only limited powers until the Industrial Grants Act of 1956. Economic openness though, only hastened the decline in industrial employment as increased trade liberalisation was coupled with a non-interventionist industrial policy and deflationary monetary policies.

It was only in the late 1950's that the Republic adopted a more outward-looking economic policy in full, leading to a rapid reversal of the immediate post-1921 divergence in economic orientation between the Republic and the North. The new Fianna Fail government of 1959, with Sean Lemass as Minister for Trade and Commerce, introduced a range of expansionary measures - similar to those that were to be introduced in the early sixties by the Northern O'Neil government - to attract international capital and to increase exports: the IDA's grant giving activities were extended; from 1964 there were no controls on profit repatriation or on

overseas ownership and control; and from 1958 a tax holiday on export revenue were introduced.

The Republic applied for membership of GATT in 1960 and of the EEC in 1961 (immediately after Britain) and in 1963 began reducing tariffs, culminating in the Anglo-Irish free trade agreement of 1965. This rapidly bore fruit with a doubling of the total volume of exports and imports from 1958 to 1972 (O'Brien 1993). While competition for domestic markets in the Republic led to some 30,000 job losses, increased sales by existing companies overseas as well as increased international investment created an estimated 75,000 jobs between 1960 and 1974, leading to a significant overall net increase in industrial employment - to about 217,000 by 1974 (Walsh 1979) .

In both parts of Ireland there was an attempt to "hook on to" the "Fordist" wave of production from which both had been excluded (Mjoset 1993:272). As the South moved away from economic autarchy and the North shifted from the single-minded support of existing declining industries, the two parts of Ireland began competing for international capital on a very similar development path. There was rapid convergence in economic orientations and employment structures as Ireland, North and South, gained a large multinational-controlled sector producing consumer goods for export.

### *Renewed North-South divergence*

In contrast, from the early 1970's, with global recession and sharpened political and military conflict in the North there was increased divergence. The Northern economy went into rapid decline and became increasingly dependent on British state subsidies, while the South sustained a thriving overseas sector and became increasingly dependent on overseas markets and multinational corporations.

In Northern Ireland manufacturing employment had increased - by 50,000 - in the years from 1961 to 1971 but in the following ten years it "suffered an astonishing" decline of some 20,000 jobs (Kennedy 1989:26). Industry shed 40% of its labour force between 1973 and 1982, due to ongoing structural

decline in shipbuilding and textiles, also partly due to decline in the 'new' multinational sectors - such as synthetic textiles. In place of these jobs, Northern Ireland attracted an increasing level of Treasury funds, and the public sector grew from employing 25% of the workforce in 1971, to 38% by 1983. Equally significant, following the sharp depression of the early 1980's, Northern industry failed to participate in the economic recovery of the mid to late 1980's and by the end of the decade a further 42,000 manufacturing jobs had been lost (Munck 1993:137).

A major factor in this was the dramatic decline in inward investment, which proved to be highly sensitive to phases of political conflict. Northern Ireland attracted about 15% of UK-bound FDI between 1966 and 1970, falling to 6% between 1970 and 1975. With relative political stability in second half of the 1970's, inflows rose to 10% of the UK total, only to plummet virtually to zero during the period of intensified conflict in the early 1980's. There was a partial recovery during the short-lived UK economic recovery in the late 1980's, again coinciding with some diminution in the intensity of the conflict (Fothergill and Guy 1990; O'Malley 1985) and there were expectations of a more sustained revival of overseas investment in the wake of the 1994 'peace process' (5).

This was combined with a gradual decline in employment in existing multinational plants and in locally-owned industry due to the effects of the oil crisis and recession from 1972, intensifying throughout the 1970's and culminating in widespread disinvestment as Sterling became overvalued and monetary restraints were imposed on the UK economy from 1979 to 1983. In 1986 the proportion of manufacturing jobs in externally owned firms stood at 39% - comparing with 53% in 1973 - and remained at this level into the 1990's (Hamilton 1993:203). Between 1973 and 1986 multinational branch plant closures cut Northern Ireland's industrial workforce by a quarter and by the mid 1980's over a half of the jobs that had been created by attracting overseas capital in the early 1960's - diversifying the North's industrial base into in synthetic fibres, mechanical and electrical engineering - had disappeared. The resulting job losses - amounting to 36,000 lost between 1973 and 1986 - have been cited as the



"main explanation" of the North's poor industrial performance in comparison with the Republic (Hamilton 1993:206).

This occurred despite government attempts to attract and retain overseas capital and to support locally owned industry, through the Industrial Development Board, which spent £1bn supporting industry in the 1980's (set up in 1976 as the Northern Ireland Development Agency). British government concern at the apparent failure of its economic policies led to a re-think in the 1987 *"Pathfinder Process"* which was aimed at building a self-reliant economy for the North, thereby reducing its dependency on the British Treasury - a perhaps unrealistic goal given that the British subvention accounted for 30% of regional GDP. Partly because of the failure to attract large overseas employers, the "Path" chosen was one of stimulating increased local competitiveness and productivity, particularly through smaller-scale private sector "enterprise" with minimal state interference, ignoring the importance of the public sector in the North (Munck 1993:63). The subsequent policy document *"Competing in the 1990's"* similarly relied on ill-defined notions of competitiveness as the main criteria for IDA grants, again neglecting the option of marshalling public sector finance and governance to redevelop the Northern economy (Clulow and Teague 1993).

Reflecting the exponential growth in net public expenditure, from 14% of total domestic expenditure in 1970, to 23% in 1979, 27% in 1984 and close to 30% in 1993, there was substantial growth in the private sector during the 1970's and 80's, but not in manufacturing industry or for the export trade as traded services sectors, including retail and financial services expanded to meet the needs of public sector employees. In 1974 distribution, hotels, catering and repairs accounted for 9% of total regional GDP by 1992 they accounted for 12%; more spectacularly, finance, banking and real estate accounted for 6% of GDP in 1974 and 15% in 1992. This contrasted with manufacturing industry, which accounted for 31% of GDP in 1974, falling to 19% by 1992 (Smyth 1993:135-8) (6).

Despite deindustrialisation and substantial growth in the public sector, as illustrated in Table 4.1 (below), the Northern labour market remained

highly and in some respects increasingly sectarianised. There was some increase in the proportion of Catholics employed in managerial and professional occupations, but this was offset by an increase in the Catholic population as a proportion of the total workforce and contrasted with a parallel increase in the proportion of unemployment accounted for by Catholics.

Table 4.1: Catholics in the Northern Ireland Labour Market, 1971 and 1991

Economic Activity	1971	1991
Catholics looking for work		
Percentage of total economically active population	28	35
Percentage of Unemployed		
- Female	41.4	46.4
- Male	47.0	52.4
Catholics in senior positions		
Percentage of Managers in		
- Extra large establishments	-	21.6
- Large establishments	10.4	23.9
- Small establishments	18.1	26.8
Percentage of Supervisors		
- Blue Collar	20.7	30.2
- White Collar	20.6	32.0
Percentage of Professional Employees	11.9	26.6
Percentage of Self Employed		
- Without employees	25.6	33.4
- With employees	32.6	35.0

Source: 1971, 1991 Census, CSO

Catholics had become more represented in management, supervisory and professional roles, forming a new middle class heavily concentrated in the public sector (Cormack and Osborne 1994). In 1991 for instance, Catholics accounted for 41% of teaching professionals and 31% of health professionals but only 22% of engineers and technologists. In contrast, over the twenty years from 1971 to 1991 the Catholic working class had become more heavily disadvantaged. In 1971 Catholics had made up 28% of the "economically active" workforce and 47% of Northern Ireland's male unemployed were Catholic. By 1991 35% of the Northern Ireland workforce was Catholic and Catholic males comprised 52% of total male unemployment.

Under conditions of greatly increased overall unemployment this translated into a widening unemployment differential between the two communities, as illustrated in Table 4.2 (below).

Table 4.2: Percentage unemployed in Northern Ireland, 1971 and 1991

	1971	1991
Catholic		
- females	6.9	14.5
- males	17.2	28.3
Non Catholic		
- females	3.8	8.8
- males	7.5	13.9

Source: 1971, 1991 Census, CSO.

In particular, the differential between Catholic male unemployment and non-Catholic male unemployment widened from 9.7% to 14.4%, while for Catholic and Non-Catholic women the differential widened from 3.1% to 5.7%.



This increased disparity, experienced primarily by working class Catholics, was compounded by sharpened income disparities. Northern Ireland's middle class became significantly better off while the incomes of male unskilled or unemployed workers, which were still disproportionately Catholic, stagnated. Overall, the poorest ten percent of the population earned on average £53 in 1979, rising in real terms to £56 in 1988, significantly lower than other regions in the UK. This compared with the richest ten percent, whose average weekly income rose to same average level as the rest of the UK - at a rate of increase unmatched elsewhere in the UK (Ditch and Morrissey 1992).

In general terms, with close to 40% of employees employed in the public sector at UK rates of pay, and with 20% of Catholics and 10% of Protestants unemployed, the "gap between the haves and the have-nots [was] very wide indeed" (Smyth 1993:138). The on-going sectarian divisions in Northern Ireland's labour market, combined with sharpening income disparities, in an economy dominated by a public sector and fuelled by conspicuous consumption of the fortunate few, had reshaped material interests and economic orientations in the North in quite different away from the Republic.

In contrast to Northern Ireland, the Republic's industrial policy was relatively successful into the late 1970's. The Republic's entry into the EU confirmed a rapid diversification of trading relations away from British, towards continental EU markets. The rapid growth in Southern, mostly multinational, exports to these outweighed Irish-British trade, which in relative terms fell during the 1970's, a reorientation away from the British economy which was confirmed with the Republic's entry into the EU Exchange Rate Mechanism in 1979 (NIF 1984a:116).

Southern industry was dominated by multinational corporations. The foreign owned sector grew from employing 27% of the manufacturing workforce in 1973 to employing 43% in 1986 and 45% in 1990. These firms were concentrated in relatively advanced industrial sectors - primarily in engineering and to a lesser extent in chemicals and man-made clothing (Hamilton 1993:203). Overseas owned plants were largely delinked from

the economy as tax breaks for exporters remained in place and plants were often located away from concentrations of domestically owned industry. Partly as a consequence, there was little indigenous development in the key sectors of auto, steel, electrical goods or durable consumer goods: Irish indigenous production in these sectors stood at 15% of industrial employment in 1978 while in the EU as a whole it stood at 56% (Mjoset 1993). While employment in overseas owned manufacturing grew by some 22% in the period from 1973 to 1980 (to 80,000), employment in indigenously owned sectors declined by some 7% over the decade as a whole (to 102,000), partly due to intensified competition in Irish domestic markets (NESC 1983:299,360). Reflecting the relative decline of indigenous industry, profit repatriation as a proportion of total industrial profits rose dramatically from 15% in 1975 to 30% in 1980 and then to 50% in the mid 1980's (Bradley *et al* 1993). By the 1980's multinationals accounted for over 80% of all non food exports, half of which were in electronics and chemicals and in the space of ten years, as the OECD put it in 1985, the Republic had become the "'export platform' for multinational trade into the EEC" (OECD 1985:47).

This pattern of dependent industrialisation was highlighted in the early 1980's as international recession sent domestically-owned firms into rapid decline. A fall-off in inward investment, higher capital-intensity of incoming multinational plants, rapid deflation in UK markets and a fiscal squeeze in the Republic all contributed to this economic collapse which led to a 20% reduction in manufacturing employment between 1982 and 1987.

In the later 1980's, fiscal stability and a return to consensual corporatism (that had broken down in the late 1970's), combined with international economic recovery to create a partial recovery. The *Programme for National Recovery* of 1987-90 constructed an explicit package of trade offs between pay policy, welfare and taxation - although it failed to address the on-going problem of virtual tax exemption for exporting companies - both indigenous and multinational - and low rural taxation. Inward investment increased and manufacturing employment rose by some 15,000. Only 2000 of the new jobs were based in indigenous industry and profit repatriation again increased as a proportion of total industrial profits, to 60% by 1989



(O'Hearn 1993). The balance of payments moved into surplus, GNP grew and unemployment fell - but only by four percentage points, from 18% in 1987 to 14% in 1990. The Republic entered the 1990's with a manufacturing sector equalling 19.2% of the workforce - at the same relative size as in 1973 (Bradley *et al* 1993, OECD 1991:57). Growth in Gross Domestic Product (GDP) lagged behind growth in exports - so that by 1993 exports accounted for 56% of GDP, in contrast with an EU average of 22% (O'Donnell 1993a:25). Furthermore, with a decline in multinational employment as well as indigenous employment in the 1980's, this dependence condemned the Republic to high, and apparently permanent, levels of unemployment at over 15% of the workforce.

Lacking a domestically-owned industrial base, the Republic faced the prospect of maintaining high levels of inward investment to compensate for job losses as earlier waves of overseas capital relocated or simply closed down, reflecting wider shifts in global and EU production (Mjoset 1993:386). Government awareness of the lack of Irish owned industry was reflected in the Telesis Report of 1983, which argued that a "successful indigenously-owned industry is, in the long run, essential for a high income economy" (NESC 1983:185). The Report spoke of the need for an "integrated indigenous Development Charter" and suggested that the government reduce the grants given to multinational firms and increase the proportion allocated to indigenous exporters from less than 40% to 75% by 1990 (NESC 1983:36).

Ten years later, the failure to re-focus industrial policy was highlighted in the Culliton Report (DSO 1992a). It drew remarkably similar conclusions as the Telesis Report, leading some observers to suggest that by the 1990's there had emerged a "widespread agreement that Ireland must develop competitive indigenous activity on a significantly larger scale if it is to meet its long term income, social and employment aspirations" (O'Donnell 1993a:96). There were some indications that such concerns about indigenous development were translating into new public sector responses - embodied in the Republic's *National Development Plan* of 1994-1999, which envisaged spending approximately half of the total allocated for industrial assistance on locally-based employment strategies, focused on the



development of community infrastructure, to address the problem of long term unemployment (7). Nonetheless, the remaining fifty percent of industrial assistance - roughly the same proportion as in the early 1980's - was still to be spent on attracting and retaining multinational capital. Perhaps more important, such initiatives were overshadowed by the neo-classical, 'enterprise' orientated *Programme for Competitiveness and Work*, 1994-7 which explicitly linked rates of growth of pay to inflation rates as the Republic sought to compete as a "labour-intensive, low-cost, low-wage production centre" on the EU periphery (Hazelkorn and Patterson 1994:65).

Despite the relative success of neo-corporatist programmes in the South - in comparison with market orientated, 'enterprise' initiatives in the North - the economy remained unable to develop a viable indigenous sector. The policy of economic 'openness' - the removal of trade barriers, of restrictions on foreign ownership of industry and of financial regulations - continued to constrain economic policy (Bradley *et al* 1993). Dominated by international capital and dependent on export markets, the Republic had great difficulty in developing the "national system of innovation" that was required if the economy was to sustain an indigenous sector and stimulate "autocentric" growth. Instead, the Republic more closely fitted into an "extraverted" growth pattern - a pattern of economic growth without economic development (Mjoset 1993:386; Amin 1981). This is clearly illustrated by figures for the Republic's relative per capita Gross Domestic Product (GDP) and its Gross National Product (GNP). As a measure of total national income, GDP includes the repatriated profits of overseas-owned companies and therefore overestimates income levels in the South. As illustrated below in Table 4.3, there was a dramatic increase in net outflows of property income from 1980 to 1990, that was only partially offset by EU subsidies. As a result, national product (GDP net of profit repatriation) fell as a percentage of GDP, from 101% in 1970 to 89% in 1990.

Table 4.3: Gross GDP and GNP: the Republic of Ireland,  
1970, 1980 and 1990

(IR£, millions)	1970	1980	1990
GDP (Market prices)	1620	9361	27093
Net property income from abroad	+26	-391.8	-3131
EU subsidies	zero	348.5	1306
GNP (Market prices)	1648	9002	23961
GNP as a percentage of GDP	102%	96%	88%

*Source:* National Accounts, aggregates, 1970-1990 Eurostat, 1993; National Income and Expenditure, Dublin Stationery Office, 1993.

Overall, the Republic fell "into the twilight zone for both economic and political reasons" (Gillespie *et al* 1992:30). The economy was, as has been outlined, incipiently dualistic, and was seriously malfunctioning in some respects while in others it was dramatically out-performing its economic partners - reflected in the success of multinational companies, contrasted with the decline of indigenous industry. Politically, as an enthusiastic EU member state, the Republic sought independence from the orbit of Britain, yet was tied to Britain, not only in its cultural and economic relations but also in its aspiration to unity with the North. These economic and political dualities - which expressed a tension between the logic of transnational regionalisation and of state-centred nationalism - are further explored in Chapter Six.

In the two parts of Ireland, the 1970's and 1980's saw a marked divergence in patterns of development and dependency. The end of the post-War boom in Western Europe disrupted the process of economic 'modernisation' in the two economies. As a result of intensified conflict

against a background of economic recession, the North reverted to deepened deindustrialisation and to sharpened dependency on Britain; the South for its part, sustained its programme of industrialisation with a temporary surge in labour-intensive transnational investment, becoming more dependent on non-British product markets and sources of capital.

By way of contrast, in the early 1990's there was a potential return to convergence. In both parts of Ireland there was a partial rejection of the externally-orientated strategy for economic development. In the North the strategy had failed to reverse deindustrialisation after the upsurge in conflict from the early 1970's; while in the South it had failed to foster indigenously owned advanced industry in the face of sharpened economic recession in the 1980's. With British intimations that state subsidies would not always be available to prop up the Northern economy, and Southern concerns at the collapse of indigenous employment and the fall-off in inward investment during the 1980's and 90's, there was an increasing, common awareness of the necessity for policies aimed at generating indigenous systems of innovation (DSO 1992a, Mjoset 1993). This shifting orientation in the latter years of the twentieth century, in the context of EU integration, is discussed in Section 3 and especially Chapter 6.

### *Ideological conflict*

Regional economic divisions in Ireland were associated with a variety of ideological and political divisions. These were a major factor in the Partition of the island into two separate jurisdictions in 1921. Similarly, in the late 1960's and early 1970's, ideological conflicts centred on the nationalist-unionist divide in Northern Ireland, became a major factor in renewed divergence between North and South.

### *Unionism and Loyalism*

The political alliance between working class loyalism and unionism dominated by a bourgeois and landed elite - expressed in the UUP - was preserved until the 1960's. The relations of production in the North -



which rested upon ties of patronage in the Protestant community - were increasingly undermined by the forces of production. The ideological unity of the Protestant bloc was undermined as industrialists and their employees in the declining sectors and local government officials came out in firm opposition to the liberal Unionist would-be 'modernisers', leading to intense ideological conflict within the Unionist Party. As the collapse of Northern industry dissolved the mechanics of patronage, the working class allies of elite Unionism took to the streets with increasingly insistent assertions of Protestant ascendancy - that "took place in the absence of visible nationalist irredentism" (O'Leary and Arthur 1990:35).

The non-sectarian employment practices of foreign owned firms, closing the divide between the 'skilled' Protestant and the 'unskilled' Catholic labour force has been cited as a possible explanation for this (Probert 1978). But both the non-sectarian employment practices of multinational companies and the deskilling of the workforce would have little impact on Protestant privilege as the growth areas announced under the employment expansion plans were located in Protestant districts (the 'Mathew' plan). Indeed, there is more evidence that the restructuring of industry accommodated rather than challenged sectarian divisions in the Northern labour market - for instance, ninety percent of the new vacancies were filled privately rather than via the employment exchange and Catholic unemployment remained substantially higher than Protestant unemployment (O'Dowd 1980a, 1980b; Bew *et al* 1979:189). Indeed, the explosion of Protestant extremism in declining urban communities like the Shankill and Woodvale came when economic recovery had begun to increase employment opportunities for this class of workers. A more likely explanation then, is that assertions of working class loyalism emerged as a response to the feared - rather than actual - consequences of dismantling Northern industry, in terms of its implications for Protestant political hegemony as well as for the privileged position of some skilled Protestant workers - an interpretation that accords a key role to ideological conflicts and conflicts over state policies, as opposed to material conflicts.

Initially the dissent of Protestant workers was expressed through the Northern Irish Labour Party (NILP) that from 1949 had become a pro-

Partition Party. Throughout the 1950's the NILP acted as a 'loyal' opposition in Stormont, campaigning against the Unionist government on social issues and when redundancies in declining industries started to accelerate in the late 1950's, the Party was the natural beneficiary of working class Protestant dissent (8). From the 1961 it had to compete with the "Unionist Associations" that championed the right of "loyal" (ie Protestant) workers to preferential employment in Northern Irish industry. Linking their politics to the defence of the 'Union', these associations were unapologetic in their determination to extend Protestant ascendancy and were fully able to take their politics onto the streets.

Protestant leaders like Ian Paisley and the Unionist MP for the Shankill - Desmond Boal - worked within the "Committee for the Defence of the Constitution" to pressurise the Unionist government into addressing the demands of Protestant workers. While Paisley campaigned for continued preferential allocation of Council housing to Protestants, Boal campaigned against the Prime Minister - Lord Brookeborough, to honour commitments to Protestant workers. Partly as a result, in 1963 Brookeborough was replaced by O'Neill, who was soon challenged by the Committee to demonstrate his commitment to Protestant ascendancy. In 1964 for instance, when the Committee called for the R.U.C. to remove a tricolour displayed in the window of a Nationalist Party campaign headquarters in West Belfast and when O'Neil hesitated, a series of demonstrations were staged, leading to the worst rioting Belfast had seen since 1935. Recognising the necessity to retain the support of dissaffected Protestant workers, O'Neill bowed to pressure from the Committee and ordered the R.U.C. to remove the tricolour.

Changing economic circumstances had forced Protestant workers away from the UUP as it was no longer seen as serving their interests. Their dissent was expressed through the politics of sectarianism and found its most violent expression in the Ulster Volunteer Force (UVF). Revived "to execute known IRA men", the UVF shot four Catholics in three separate incidents in May 1966. Through the summer of that year Catholic houses in Protestant districts were petrol-bombed by Loyalist youths and by 1969, after three summers of sectarian riot, Paisley's "Protestant Unionist Party"

(PUP) was drawing Protestant voters away from the Unionist Party. In West Ulster (Derry) the PUP gained 20,000 votes and after O'Neil resigned Paisley was voted in as the Stormont MP for Bannside. In 1970 Paisley gained a Westminster seat in North Antrim, Boal left the Unionist Party to join Paisley and in 1971 the Party was renamed the "Democratic Unionist Party" (DUP). By the early 1980's it was gaining a 20% share of the votes cast in Northern Ireland and Paisley's brand of unionism had established itself as the most vocal expression of Protestant disaffection in the North.

This, to a degree, was reflected in substantial differences on the national question. The DUP argued that the conflict would only be resolved when Northern Ireland had its own devolved Assembly, preferably dominated by the majority, Unionist Parties, on the Stormont model. In contrast, the "official" Unionist Party argued that the national conflict would only be solved when Northern Ireland was fully part of the British state. The anomalous status of Northern Ireland - ruled by the Westminster Parliament but not fully integrated with Britain - was seen as an encouragement to those pushing for a reunited Ireland. So too was the implication in British constitutional legislation that Northern Ireland need remain part of the United Kingdom only so long as a majority in Northern Ireland wished it (Coughlan 1992).

This 'integrationist' agenda was particularly associated with James Molyneaux and formerly Enoch Powell, although, in the face of pressure from the 'devolutionist' strand of unionism during the 1980's, 'integrationists' began to accept the possibility of 'decentralisation' in the UK - but only as long as the decentralised authority for Northern Ireland was part of a wider decentralisation of the UK state, with similar provisions for Wales and Scotland. This adaptation of the 'integrationist' approach - as reiterated by Molyneaux in May 1992 - maintained the essential argument that only the full exercise of British sovereignty would resolve the conflict (9).

The UUP and the 'liberal' Unionist Alliance Party remained largely representative of the "Ulster British" wing of unionism which emphasised its cultural links with Britain but was also willing to see itself as in some



senses Irish. This contrasted with the DUP and other Loyalist organisations such as the UDA which were actively hostile to the South and expressed a more "Ulster Loyalist" political identity, whose primary loyalty was to the Northern Ireland political order rather than to Britain (Todd 1987). The UDA argued that both the British and the Irish states should forgo their claims to sovereignty over the North and allow the creation of an independent sovereign Northern Ireland (O'Leary and McGarry 1990).

Unionist and Loyalist politicians remained unified on the single central issue of opposition to Irish unity and often worked together - most notably in 1974 when the British government resigned itself to surrendering its monopoly of force in Northern Ireland to an alliance of the Ulster Workers Committee, the United Army Council of the UDA/UVF, the DUP and the UUP, which orchestrated a 14 day stoppage against the Sunningdale Agreement (Millar 1978; Fisk 1975). Similar alliances, in 1979 against the Constitutional Convention and in 1986 against the Anglo-Irish Agreement (AIA), were less successful (although it could be argued that united DUP-UUP opposition left the AIA, as Jim Molyneaux, leader of the UUP put it, to "wither on the vine").

In the 1990's then, Unionist politics was dominated by two main Parties - the Unionist Party claiming approximately 30% of the Northern vote and the DUP claiming about 20%. A third Party - the Alliance - which emerged in the early 1970's, defining itself as inheriting the 'liberal' modernising strand of Unionism, claimed about 8% of the Northern vote. Political dispute between the three parties centred on the lengths to which they were willing to go to defend the 'Union', defined in terms of their willingness to accept power-sharing with the nationalist community and to tolerate linkages with the South. Changing Unionist positions on this last issue are discussed in some detail in Section 3, especially in Chapter 7.

### *Nationalism and Republicanism*

Nationalism and Republicanism developed their own relatively separate ideological dynamic in the nineteenth century. After the Act of Union, the thirty years of pressure for Catholic emancipation radicalised a Catholic

middle class and placed it at the forefront of Irish nationalism. This was fueled by the disestablishment of the Church of Ireland in 1868, the growth in Catholic-run education from 1879 and a three-fold expansion in the Catholic clergy that led to a rapid spread of English literacy. Simultaneously, rent strikes against absentee landlords through the "Land League" led to evictions by the British army and quickly developed into a more explicitly nationalist movement through the "Home Rule League". Dispossessed rural tenantry, a growing Catholic clergy and an urban middle class joined together in an inherently conservative, anti-socialist alliance seeking national independence expressed in the Irish Parliamentary Party (10).

Attempts at defusing Irish nationalism through the Wyndham Acts failed to prevent the emergence of a more urban and working class based national movement in the early part of the twentieth century, demanding an end to British domination of Irish culture, administration and politics, which was further radicalised by the British repression of the 1916 uprising. Bolstered by an anti-conscription campaign and following the Russian revolution, Sinn Fein, which was founded in 1905, began to receive mass support and by the election in 1919 the Party had increased its representation in the 103 seat Irish Parliament from 7 to 73. Three years of armed conflict in defence of the 'Underground Republic' between the Irish Republican Army and British forces followed, during which Sinn Fein support was confirmed, in Council, County and Parliamentary elections, and by 1921 the Party occupied 130 of the Parliament's 180 seats. The war of independence ended with the creation of the Irish Free State in 1921, with "Dominion" status similar to Canada, leading to the civil war of 1921-3.

Partition led to North-South divergence between a Northern nationalist community still committed to North-South unity and an increasingly stable and 'completed' nationalist community in the South. From 1922 the Northern nationalist community had "watched their fellow Irish nationalists abandon them bit by bit": while for the Northern parties North-South unity was a central issue, for the Southern-based parties it was only of primary concern during periods of particularly extreme political violence in the North (11).

This reflected the origins of Irish nationalism as a movement primarily concerned with power relationships between Ireland and Britain rather than between North and South in Ireland. Ideological conflict over the Republic's relationship with Britain shaped political forces in the post-independence period and continued to dominate politics in the Republic until the late 1960's. The Party political system in the South developed out of the civil war focused on the pro-Treaty (Fine Gael) and anti-Treaty (Fianna Fail) factions of the Irish Nationalist movement. With the 1937 Constitution the political boundaries of the Irish Nationalist project had been, for the most part, defined. Although there remained a question-mark over Northern Ireland - expressed in Articles two and three of the Constitution - this was a largely peripheral concern to the main project of establishing an Irish political culture free of British domination. As a result there was considerable ideological consensus between the two main wings of the Republic's political system - a consensus that was silent on issues of North-South unity and equally important, prevented significant political, left-right, capital-labour conflict.

Indeed, the incorporation of a Protestant-dominated Northern Ireland into the Republic was never a desirable objective for those who gained from the creation of an autarchic, 'national' economy and a conservative 'national' society. Rural, export-orientated commerce, and those that depended on it backed the Fine Gael Party that took power in the immediate post-Partition period. Despite the party's fascist roots, successive Fine Gael governments attempted to liberalise the Southern economy. In the 1980's under Garret Fitzgerald the Party made some attempt at modernising some of the more restrictive aspects of Irish social legislation, for instance, in the unsuccessful referenda on decriminalising reproductive rights (1983) and divorce (1986). On the national question, the Party was committed to substantial revision of the Irish constitutional claim to sovereignty in the North and under Garret Fitzgerald it maintained a largely anti-Republican perspective, arguing for North-South unity on the basis of shared sovereignty in the EU - a "non magical, lawyers, pragmatic nationalism" (12) .



Meanwhile, the more populist and pro-nationalist Fianna Fail Party that emerged in 1932, drew support from farmers, traders and workers dependent upon domestic markets and, under De Valera, dominated Irish politics for the 1940's and 50's. The Party attempted to mould mass national unity - a "vision of the Republic as a moral community" - with it as the 'natural' Party of government (13). This was pursued first, through national autarchy and, from 1958, under Sean Lemass, through state intervention and economic liberalisation - model that shaped its policies into the 1990's. The Party combined a broadly pro-unification perspective with this consensual model of Southern society and it was more willing than Fine Gael to support the Republic's Constitutional claim to jurisdiction in the North, although in government, like Fine Gael, it did very little to make it a reality (14).

There was then, a clearly defined divergence in constitutional nationalism, between the Southern-based Fine Gael and Fianna Fail parties and the Northern Nationalist Party which became the Social Democratic and Labour Party in 1971. This was also, to a great extent true of the Republican movement which split between a Northern-based 'Provisional' IRA and the 'Officials' in 1969, which later formed the Workers Party (which itself split in 1992 with the formation of the Southern-based Democratic Left).

Increasingly though, from the 1970's, ideological conflict along a range of new political spectrums began to penetrate political life in the Republic and began to disrupt the two main political blocs. The Fine Gael - Fianna Fail divide between bourgeois nationalism and populist nationalism was increasingly cross-cut and undermined by a multitude of new political divisions. These new strands of political conflict focused not only on neo-liberal versus social democratic economic and welfare issues, but also on issues of gender and the family, sexuality and religion that had previously been kept off the political agenda by the nationalist consensus between Fine Gael and Fianna Fail dating back to 1937.

In the 1980's, under Haughey's leadership, the more anti-nationalist and neo-liberal minded, right wing of the Fianna Fail Party departed to form the Progressive Democrats. After the 1989 election this forced Fianna Fail

into a Parliamentary coalition for the first time in its history, leading it to discard its pretention to express the 'national' political will 'above' party politics. Partly as a result of these and other political pressures, the candidate supported by Fianna Fail was defeated in the 1990 Presidential election and Mary Robinson, the Labour supported candidate was voted in. In 1992 the Irish Labour Party was able to double its popular vote to 19% and increase its representation in the Dail from 16 to 33, at the expense of Fine Gael and Fianna Fail, in an election that also saw the Progressive Democrats increase their representation by four seats (15). Furthermore, in the European election of 1994, the Irish Green Party gained a seat in the European Parliament and the Democratic Left had a by-election victory, in a further disruption of political relations in the Republic.

In parallel with this destabilisation of Southern politics, there was an increased orientation towards Northern concerns largely due to intensifying political and military conflict in the North. In the mid 1960's Protestant extremism had re-emerged at a time when Nationalists and Republicans had been reconciling themselves to politics in the North: the IRA effectively abandoned the armed struggle after the failed "Border" Campaign of 1959 and in 1965 the Northern Nationalist Party ended abstentionism and entered Stormont as the 'official' opposition. Heightened cross-community political mobilisation on social and political issues through the civil rights movement - with the the "Campaign for Social Justice" of 1964, the "Campaign for Democracy in Ulster" in 1966, the "Northern Ireland Civil Rights Association" in 1967 and "People's Democracy" in 1968 - destabilised the Northern government's attempts at economic 'modernisation' and highlighted the political and social exclusion of the Northern nationalist minority. The upsurge in police violence against the Northern nationalist community, in particular the RUC attack on Derry's Bogside in February 1969, and the wave of sectarian attacks against Catholics in Belfast in the summer of 1969, which saw Catholic families from Belfast arriving in Dublin with what possessions they could carry, to some degree forced Southern nationalist politicians to reverse their inward-looking political strategy (16).

Politicians from the Republic worked with the newly emergent SDLP in the North in encouraging the British government to construct North-South political institutions under the Sunningdale agreement of 1973 and from the early 1970's Nationalist political parties, North and South began to reformulate their central demand for Irish unity (Coughlan 1990). Proposals tended to converge on the possibility of establishing all-Ireland quasi-federal structures: in 1972 both the SDLP's *Towards a new Ireland* and the PIRA's *New Ireland* programme proposed a degree of autonomy for the North within a reunified Ireland: in the same year, Garret Fitzgerald's book, also titled *Towards a new Ireland*, took a similar approach and in 1979 Fine Gael formally adopted federalism in its policy paper - *Ireland: our future together*.

The Republican movement forced the pace of this North-South re-orientation with the IRA's decision in 1981 to relaunch Sinn Fein as an all-Ireland political organisation, on a wave of politicising campaigns focussed on the treatment of Republican prisoners in British jails. This led to re-emergence of a radical, populist movement dedicated to Irish national liberation as an alternative to the constitutional Nationalism and within two years Sinn Fein was drawing close to 40% of the Northern nationalist vote, directly threatening the survival of the SDLP. In response, constitutional Nationalists - the SDLP, Fine Gael and Fianna Fail - established the New Ireland Forum (NIF) as a means of re-claiming their right to speak for the Irish 'national' community. As a result, for the first time since Partition, constitutional Nationalists, North and South, were unified behind a common, constitutional agenda for Irish national reconciliation and reunification, as an alternative to the radical Republican agenda pursued by Sinn Fein.

The Forum demonstrated how Nationalists and Republicans in Northern Ireland and the Republic had focused on the issue of North-South structures to more effectively guarantee the rights of nationalist communities in the North. This was expressed in the range of schemes that were proposed for achieving North-South political accommodation: devolution for Ulster and possibly also the other three provinces in a reunified Irish state favoured for some time by De Valera and until 1981, by



the IRA; a federal Ireland cantonised into 32 counties as proposed by Sean MacBride at the Forum; a federation or confederation of two units - North and South - which was Fine Gael policy since 1979 and was presented by Garret Fitzgerald and by the SDLP at the NIF; the option of consociationism involving the recognition of a distinct unionist identity, the construction of power sharing arrangements in Northern Ireland and the abandonment of the Irish nationalist objective to create an all-Ireland state (favoured by liberal unionists and 'revisionist' nationalists); and finally, the option of unitary statehood, which was presented as the Forum's favoured option (NIF 1984b).

By refocusing constitutional nationalism, North and South, the NIF helped to put North-South institutions back on the political agenda in Northern Ireland after the consociational experiments of Atkins and Prior (in the Constitutional Convention of 1979 and the Northern Ireland Assembly of 1982-6). In doing so, it assisted Anglo-Irish cooperation, which culminated, under the Anglo-Irish Agreement (AIA) of 1985, in the creation of intergovernmental institutions with the promise of North-South institutions should Northern Unionists fail to agree on power-sharing devolution.

By the late 1980's, following the NIF and the AIA, the three main Southern parties - Fianna Fail, Fine Gael and the Labour Party had accepted what was effectively SDLP leadership on North-South issues. The SDLP stress on the need for a North-South 'dimension' to Irish politics, expressed in its support for the Sunningdale Agreement, was strengthened in the 1980's, with an increased commitment to the process of European integration. The Party linked EU integration to national integration in Ireland, arguing for a redefinition of Irish and British state sovereignty with a wholesale transformation of civil authority in the new EU framework. In its view, the nation state was being eroded 'from above' by transnational EU structures and undermined 'from below' by sub-state regional pressures - a dual development that would remove the main basis of the national conflict in Ireland.

Meanwhile, in the face of political deadlock, Sinn Fein was also redefining its political position in the late 1980's. In particular the Party began to move away from arguing that all-Ireland sovereignty was a non-negotiable absolute requirement for peace in Ireland. Its position was increasingly recast as a positive sum aspiration to unitary sovereignty in which there was recognition of the numerous obstacles - in particular of the need to accommodate Northern unionism in social, cultural, economic and security terms. This position was outlined in its policy document, "*Toward a lasting peace*", published in 1992, which signalled a shift away from the all-or-nothing discourse of military conflict to the more compromising discourse of democratic politics. This shift, when accompanied by IRA and Loyalist ceasefires in the summer of 1994, began a 'peace process' that for the first time linked Republicanism and constitutional Nationalism. This had the highly significant effect of shifting the political agenda away from issues relating to the military conflict - issues that had dominated political debates on the conflict, not least in the Republic - refocusing it on the key question of North-South political structures (17).

Overall then, ideological conflict in Ireland since Partition had to a large degree focussed on issues of North-South integration. Despite political divisions within the Northern unionist community, expressed in the emergence of the DUP and the Alliance, politicians from all three Unionist Parties competed for political support in the North within a broad consensus on the need to defend the Union and oppose North-South unity. Similarly, despite political divisions between Republicans and constitutional Nationalists and a significant degree of political distance between the SDLP in the North and other constitutional Nationalists in the South, a degree of common purpose between Republicans and Nationalists, North and South was maintained and indeed rebuilt - first with the New Ireland Forum bringing constitutional Nationalists together and second the Hume-Adams-Reynolds 'Peace Process', bringing Nationalists and Republicans together.

In the context of European integration there were some indications that this process of reconciliation and political convergence was extending to the Unionist Parties. This, and other EU-related pressures countering

North-South ideological convergence, is examined in Section 3, particularly in Chapter 7.

### *State policies*

After Partition uneven development between North and South and ideological conflict between unionism and nationalism were exacerbated by divergent state policies. From 1921 state building, North and South, took place at the expense of pan-Irish nation building as the island was partitioned into a Northern segment with a Protestant majority - from its inception an exercise in "domination" - and a Southern state, linked to Britain through the Commonwealth and later fully independent (O'Leary and Arthur 1990:35; O'Leary and McGarry 1990:272). Northern Ireland was given a "quasi federal" status within the UK, conditional on continued support for the 'Union', while the Republic defined itself as a separate sovereign state (Jay 1989). Constitutional division underscored socio-economic and ideological divisions, allowing separate North-South development and sharpening division between 'loyal' unionists and 'disloyal' nationalists in Northern Ireland.

### *The North*

In the North, political control was handed over to a Unionist Party that was the political manifestation of Protestant ascendancy. Throughout its existence Stormont was dominated by the UUP - a Party led by 'Orangemen' (18). Manipulation of elections maintained its control of the political system and the "loyalty to the crown" oath effectively excluded the nationalist community from the Northern Ireland Civil Service and local government departments (19). This had a direct effect on access to public services. In the 1930's, for instance, Catholic families were systematically denied poor law relief and during the house-building programmes of the 1950's and 60's, public housing was allocated in the first instance to the Protestant community (Farrell 1976).



Meanwhile, Stormont's industrial policies focused on meeting the needs of existing industry - unsurprising given that twelve out of Belfast's fourteen Stormont MPs in the early 1950's were Managing Directors from established industry (Harbinson 1973). Linen and Shipbuilding was assisted through the Industrial development Act, the Re-equipment of Industries Act and the Capital Grants to Industry Act. A "coal subsidy" was created and in 1959 when de-rating for industry in the British "development areas" was reduced to 50%, in Stormont it was retained at 75%.

This bias was challenged in the mid 1950's with the publication in 1957 of the "Isles and Cuthbert" Report which argued that state assistance to existing industries was damaging the economy and that only an influx of new capital to diversify the industrial base could raise industrial productivity. The Report suggested that a "Development Corporation" should be created to attract new industries to the region and that industrial assistance should be re-orientated to meet their needs. But subsidisation continued and between 1955 and 1961 £123m was spent on keeping existing firms afloat. In the same period employment in textiles fell by 16,000 to 56,000 and in 1961 8000 workers were laid off from the shipyards, reducing the workforce to 16,000. In 1962 the government was again criticised for "maintaining employment rather than creating jobs" and there was further confirmation of its failure as, between 1961 and 1964, another 40% of Belfast's shipyard workers were laid off (Stormont 1962:58; Bew *et al* 1979:134).

The economic proposals of the O'Neill government, outlined in the Wilson Report of 1964, were aimed at reversing this industrial decline. Paralleling the policies of the British Labour government, the proposals put great faith in planning for the "expansion of industry, housing and public services", leading to the creation of a 'Housing Trust' with authority over local housing and a centralised 'Ministry of Development' which removed key powers over transport, health and planning from local government (Stormont 1964:133-40). This centralised planning framework led to a series of specific development plans - for eight "growth centres", some of which were to be "new towns" served by new or improved roads and by new public housing schemes under the Matthew Plan, for an

improved rail system under the Benson Plan and for a second Northern Ireland university under the Lockwood Report. The political will to implement the Wilson plan had been born out of a UUP backbench revolt against Brookeborough amongst Unionists who were seeing the bedrock of working class unionism slipping away from them to the Protestant Workers Association and the government's sensitivity to these political constraints was clearly reflected in the sectarian way the various Reports were implemented (20).

Nonetheless, while having the desired economic effects, Protestant working class dissatisfaction with the Unionist leadership continued unabated and was matched by active opposition amongst the local administrative elite that had been robbed of their sources of power and patronage (O'Dowd 1980a:42). The threat to local administrative hegemony was compounded by the threat to vested interests in declining sectors of industry, as, in spite of a persistent campaign waged by employers in the linen and shipbuilding industry, Stormont refused to introduce an employment subsidy and instead introduced grants for firms creating jobs and spent large sums of public money on improving infrastructure for the influx of new capital.

Furthermore, these sections of the unionist elite and the "plebian grass roots" of the Protestant class alliance gained a "veto over what slight tendency the bourgeois leadership had to make pragmatic concessions" to the increasingly assertive civil rights movement (Farrell 1983:288). The O'Neill government was reduced to making "symbolic gestures" of reconciliation with the South - for instance meeting the Taoiseach, Sean Lemass, in 1964 and persuading the Nationalist Party to join Stormont in 1965 (Bew *et al* 1979:13). But he could not refuse Paisley's demands in 1964; nor could he do anything more than condemn the Ulster Volunteer Force for its "strategy of tension" after it had declared that "known IRA men will be executed" in 1966.

Under pressure from the civil rights movement, O'Neil introduced a new system of housing allocation on the basis of need, reviewed the Special Powers Act and established a new Derry Corporation. But he failed to accept

the movements' central demands - for universal suffrage in local elections, a redrawing of election boundaries and a review of the RUC - demands that struck at the heart of Unionist-Orange hegemony. His impotence was underlined when in February 1969 he failed to criticise the RUC attack on Derry's Bogside or halt anti-Catholic pogroms in the summer of 1969. Despite this, the UUP lost working class support and after the Ulster Volunteer bomb attacks in April 1969, O'Neil resigned, in a move that presaged the collapse of Stormont and Direct Rule from Westminster in 1972.

### *The South*

As has been pointed out, under Articles 2 and 3 of its Constitution, the Republic claimed jurisdiction over the North. Despite this and in contrast with the often strident Party rhetoric, the Irish state was only in a limited sense committed to substantive North-South integration. It tended to adopt a largely reactive, 'hands off' approach on such issues - as the former Taoiseach, Garret Fitzgerald, stressed in 1993, the Irish state was more concerned to maintain order and stability in the 26 Counties than to remove British sovereignty in Northern Ireland (21).

As argued earlier, Southern politicians generally focussed on the relationship with Britain rather than on North-South relationships. The North-South Council set up under the Government of Ireland Act, for instance, was viewed with some hostility as it was seen as linking the Southern state to Britain and involving an implicit recognition of the Northern statelet. The South maintained a degree of distance from the Northern administration, partly due to political hostilities, but also due to the jurisdictional logic of Partition as, from 1921, Southern politicians were elected by voters in the 26 Counties and were primarily responsible to them, not to voters in the North. Consequently, whenever Southern state priorities conflicted with North-South unity, the former generally prevailed.

The Southern government waged a civil war until 1923 with Sinn Féin which had argued that the South should repudiate the 1921 Treaty, leave



the British Empire and become a Republic. The anti-Treaty, non-abstentionist Fianna Fail Party that was elected into government in 1932, was also relatively unconcerned with the North. The government focused on political conflicts with Britain - for instance over land annuities and the use of ports - leading it, for the most part, to ignore North-South relations. The Constitution, agreed by Referendum in 1937, focussed on the issue of leaving the Commonwealth, ceasing the oath of allegiance to the British monarch and removing the British Governor-General from Dublin and while it laid claim to jurisdiction in the North, there was little attempt to exercise this: extension of this Republic Northwards was in theory desirable but in practice would disrupt relatively stable political orientations in the South. Partition then, focused Southern politics on constructing a 'national' Irish culture against a history of British domination, enabling the two main political parties - Fine Gael and Fianna Fail - to insulate themselves from the difficult questions of North-South Irish unity. This was reflected in state administration as De Valera constructed a highly centralised, corporatist administrative apparatus, expressing the myth of national unity. Representative politics was conducted on the fringes of these state-centred consensus-forming institutions, rather than around social cleavages in civil society.

As argued earlier, civil rights agitation in the North and the collapse of Stormont to a degree refocused political attention onto North-South relations. From 1969 the Republic sought to persuade Britain to grant it a role in Northern administration. While initial concerns at sectarian violence were rebuffed in 1969 by the British Labour government, the Southern government was later granted a limited role through the Sunningdale Agreement of 1973-4 and through the Anglo-Irish intergovernmental consultation process, 1977-85, which culminated in the Anglo-Irish Agreement in 1985. This increased Southern involvement in Northern issues led some to argue that the Republic should take the initiative and "work the Anglo-Irish accord", to achieve greater North-South integration (22). During 1993 this agenda was, to a limited extent, pursued by the Southern government, with the Foreign Minister, Dick Spring, investigating how the agreement could "best be developed and adapted" (23). Meanwhile, the Reynolds-Major Declaration of 1993 and the

'Peace Process' of 1994 explicitly involved the Republic, with the North and Britain, in the negotiating framework for "national reconciliation" in the island as a whole.

Despite these political involvements, there was little substantive reorientation of socio-economic policies in the Republic and it remained firmly committed to development in separation from the North, rather than in tandem with it. Economic policy was increasingly orientated towards continental EU states - demonstrated for instance by the decision to join the ERM in 1979 - and social policy remained deeply restrictive - demonstrated for instance by the failure of the abortion and divorce referenda and by the on-going domination of the Catholic Church in the provision of social services and in primary and secondary education (24).

### *Direct Rule and North-South relations*

Meanwhile, British state policies dominated Northern Ireland after 1972. Unlike the Unionist dominated Stormont, the British state cast itself in the role of neutral arbiter between nationalist and unionist aspirations in the North (sketched out in the government White paper on Northern Ireland in 1972) (25). This was combined with, and contradicted by a determination to maintain British sovereignty in the North as long as the Northern unionist majority desired it.

The Sunningdale Agreement of 1974 clearly expressed these tensions (25). The North-South Council set up under the Agreement was composed of an equal number of Northern and Southern representatives with a British appointed official - effectively an 'arbiter' - to oversee the sharing of British power with the Republic. Revealingly, the entire Council framework was to be subject to the authority of the British Secretary of State, including the power to appoint members of the executive, and furthermore, key 'sovereign' powers involving the central issues in the Northern Ireland conflict - electoral arrangements, security, policing and justice - were all to be reserved for the British government.

This approach to Direct Rule was also reflected in political and administrative structures as the government made a concerted attempt at depoliticising the machinery of government in Northern Ireland state, transforming it into a technocracy of state officials headed by an English Secretary of State. Direct Rule was managed through ostensibly non-political officials of the Northern Ireland Civil Service, acting in concert through 'Political Co-ordination' committees; the role of local government was heavily circumscribed and finances were distributed through appointed Boards such as the Police Authority (wholly appointed), Education Area Boards (40% councillors), Health and Social Services Boards (no councillors) and the Northern Ireland Housing Executive (30% councillors) (Connolly 1992).

It was intended that this administrative apparatus and its array of semi-autonomous agencies would promote social and political equity between nationalists and unionists, integrating the nationalist minority as part of an inclusive Northern Ireland identity and providing a common basis for British citizenship in Northern Ireland. But, unavoidably, this inclusiveness was more often contradicted by Britishness as British state power in Northern Ireland was, in the last resort, designed "to incorporate the population and underpin the union" (Ditch and Morrissey 1992).

Consequently, state initiatives were inevitably shaped by the logic of maintaining political stability and state hegemony in the North. In particular, the political priority of maintaining Unionist support required that it leave sectarian labour relations in place and minimise North-South integration. At the same time, the British state had its own priorities - especially in relation to policing the republican community - which sharply conflicted with the process of building inclusive political institutions in Northern Ireland. As a result, Direct Rule was unable to supersede the economic, cultural and political causes of the conflict - largely as they emanated from the structural logic of the British state itself (Ruane and Todd 1992).

As part of the process of de-sectarianising Northern Ireland society, in 1976 the government established a "Fair Employment Agency" (FEA) to stamp



out Catholic disadvantage in the labour market. The Agency's "Declaration of Principles" on fair employment were condemned by the Unionist Council in 1977 and were largely ignored until 1981 when local government contractors were forced to adopt the Declaration. By 1987 6335 firms had signed the Declaration - rising from 24 in 1981 - although not one of these firms was found to have infringed its provisions, no doubt partly because the Agency could not require them to supply employment figures broken down into Protestant and Catholic until 1989. It was only in 1990, under the Fair Employment Act, that employers were encouraged to work towards fair employment, on pain of losing government contracts.

This weakness reflected the government's priorities, indeed, it was directly involved in maintaining security in Northern Ireland, the British state was directly involved in maintaining sectarianism in the northern labour market. Nationalists continued to be excluded from employment as they were seen by unionists and by the British government as, by definition, 'disloyal'. Falling Catholic employment in the security forces for instance, was not seen as discrimination, but as a logical consequence of nationalist antipathy to the Northern state and of the republican security threat. This was reflected in government policy, outlined in the 1976 Commons Statement establishing the FEA, where it was clarified that the prohibition of discrimination on grounds of political belief would not extend to those whose opinion would lead them to the "approval or acceptance of the use of violence for political ends" (26). Unionist politicians and employers adapted this to include all those who might conceivably support Republican aims - in effect all Catholics - an interpretation that was legitimised by the British state when in 1988 the Secretary of State banned the FEA from investigating the exclusion of Catholic contract workers from the Kilroot power station (Doyle 1994) (27).

In other fields of social policy, such as housing, the picture was no less bleak. Like the FEA, the Northern Ireland Housing Executive (NIHE) was granted wide ranging powers - to allocate housing on the basis of need and to manage housing estates in the interests of all tenants. While the executive was effective in moving Catholics away from Protestants and vice versa, it signally failed to pursue the perpetrators of sectarian violence

and criminal damage. In April of 1986 for instance, during Unionist protests against the Anglo-Irish Agreement, there were 337 complaints of harassment or assault and 79 arson attacks, followed by a further 114 in July of the same year. Many Catholic householders were moved to alternative accommodation but the Housing Executive took no action against perpetrators, many of whom were known to be NIHE tenants. Effectively this rewarded sectarian violence and created new ghettos, further exacerbating Catholic-Protestant divisions in Northern Ireland (Graham 1992).

In cultural policy, too, there were deep tensions between stated and unstated policy objectives. After the Anglo-Irish Agreement the Northern Ireland Office became publicly committed to encouraging a pluralist culture in the North, in which the "two traditions" of nationalism and unionism could coexist (Knox 1992). This was expressed in a variety of Community relations initiatives, which were aimed at increasing mutual cultural awareness with the added bonus of improving the British state's image, both in Northern Ireland and abroad, further stabilising its legitimacy in the North. Partly as a consequence, cultural policies were also used to further marginalise and weaken expressions of mass, often politicised, cultural Irishness in a process of cultural exclusion that subjected Gaelic games organisations, voluntary organisations and parts of the Irish language movement to intensive monitoring and political vetting in order to ensure that the government could not be accused of assisting Republican organisations (Ruane and Todd 1992). In contrast, cultural organisations from the Loyalist community were unquestioningly deemed to be legitimate expressions of Northern culture.

Furthermore, British anti-sectarian initiatives were established hand-in-hand with the denial of basic human rights in Northern Ireland. The British government actively encouraged an increasingly Protestant-dominated RUC and UDR to systematically repress 'disloyal' Republican communities. Throughout the first twenty-five years of Direct Rule the government failed to take action either to reform or to disband elements of the security forces that had failed to secure broad acceptance in nationalist and republican communities. Indeed, such forces became more, not less

powerful, as under direct rule, they were made responsible to a single Junior Minister appointed by Westminster often for a short period of time and with no political base in Northern Ireland.

Meanwhile, the Northern Ireland legal framework was reformed in a way that increased the number of people prosecuted for "terrorist" crime. The Emergency Provisions Act which replaced the Special Powers Act in 1973 established the no-jury 'Diplock' Courts which were only required to rule confessional evidence as inadmissible if it could be proved that it had resulted from "torture, inhuman or degrading treatment". This was a clear incentive for the RUC and the army in the North to pressurise prisoners into either incriminating themselves or others, with the result that 85% of convictions for "terrorist offences" from 1973 were obtained on confessional evidence (Rowthorne and Wayne 1988:53-55). Unsurprisingly, by 1992 Northern Ireland had a per capita prison population unrivalled anywhere in Western Europe (and in Eastern Europe only matched by that of Hungary), while it had one of the lowest per capita prison populations for "non scheduled", non "terrorist" crime (28).

Furthermore, the UK became the only EU state to seek permanent derogation from the European Convention on Human Rights, under Article 15, declaring that a 'national emergency' existed in the UK. Although in 1976, due to adverse publicity, the Convention was adopted in full, by 1988 the European Court's finding that the Prevention of Terrorism Act breached the Convention forced the government again to apply for exemption (29). Furthermore, after Sinn Fein's decision to contest elections the government's legislative armoury was further extended into political life: prisoners were banned from candidature in 1981; Republicans elected to the Northern Ireland Assembly were banned from entry into Britain in 1982; and in 1988, Republicans were prevented from speaking on UK television and radio. These and other measures made a nonsense of bodies such as the Standing Advisory Commission on Human Rights, set up in 1973, and the Police Complaints Authority, set up in 1987. Despite British government assurances that such bodies would ensure that "emergency" powers and security concerns would not undermine civil rights, no prosecutions resulted from their deliberations and these agencies could not



even act as 'window-dressing' as in over 50% of cases the army and the RUC refused to allow soldiers or police officers to participate in their inquiries, ostensibly for 'security' reasons. (Rolston 1987).

Despite Direct Rule, the British government was unable to secure political stability in the North and from the early 1980's it returned to the option of seeking the South's assistance in maintaining stability, an approach that had been abandoned after unionist opposition to Sunningdale. Cooperation with the South was used as a means of isolating an increasingly successful Sinn Fein and discussions between the two governments focussed on a range of proposals, including a joint security commission and a police force for the whole island; an Anglo-Irish ministerial Commission to deal with socio-economic and EU-related issues; and legal harmonisation, with a Bill of Rights, 'mixed' courts and a legal Commission (Fitzgerald 1991:513). In return the Irish government was willing to recognise de facto British sovereignty in Northern Ireland, on the basis of Northern Irish popular consent.

The British government was caught between its own restricted concept of state sovereignty and the need to offer some role for the Republic in the affairs of Northern Ireland (Fitzgerald 1991:505). After some three years of protracted intergovernmental discussions, the Thatcher government drew a fine distinction between consultation with a degree of joint responsibility on issues of common North-South concern - which it was felt would not impinge on British sovereignty - and joint authority, which would require a sharing of sovereignty between the two states. Indeed it could be argued that rather than undermining the constitutional status of Northern Ireland, such limited cooperation with the Republic would bring it closer to the British government position, away from the influence of the Republican movement. In 1985, following Mrs Thatcher's condemnation of the New Ireland Forum Report, the government opted for this minimalist approach, carefully stipulating that any joint arrangements would have to be referred to as an Anglo-Irish "Conference" rather than as a "Commission" (which the British felt would have an undesired resonance in the EU).

In effect, Britain had admitted failure in building an internal settlement based on consociationism in Northern Ireland and had recruited the South as a partner to restabilise political relations in the North and to restore its tarnished international reputation (30). Meanwhile, the South gained a diplomatic coup, enabling it to maintain Northern Ireland at arms length while claiming to fulfil its obligations to Northern nationalists. At the same time it enabled both states to more effectively - and more efficiently - prosecute the war against the IRA, which by 1993 had cost the Republic in excess of IR£2.5Bln, triple the per capita cost of the British government's anti-insurgency measures (31).

This "direct rule with a green tinge" established a form of institutionalised consultation, linked to 'implementing measures' that committed the British state to improving consociational arrangements in the North (Article 6) (O'Leary and McGarry 1990:279-281). On North-South issues there was to be improved cooperation in security matters, with the two separate police forces reporting to their respective governments. Only on matters relating to economic, social or cultural cooperation - not policing or judicial affairs - was there to be discussion of North-South cooperation, through the Anglo-Irish Council. This clearly demarcated space for North-South policy-making was itself to be created only "if it prove(d) impossible to achieve and sustain devolution on a basis which secures widespread acceptance in Northern Ireland" (Article 10). This political bribe was aimed at persuading Unionist politicians to accept power-sharing in the North although it also recognised that such structures would be needed even in the event of devolution (32).

Britain's overall approach was outlined by the British Ambassador to the Republic - Sir Nicholas Fenn - in 1989. In the first instance, he argued, as the government had been claiming since 1972, that it was neutral arbiter in the conflict and did "not seek to impose a blueprint on the ultimate destiny of Northern Ireland". Nevertheless, the government was fully prepared to protect the democratic rights of the Unionist majority and to "look at the law where it is open to abuse" - for instance in the right to silence, the freedom of expression and in requiring those in public office to sign a statement renouncing violence. At the same time, he argued, the

government would seek to maintain normal political relations in the North - through fair employment legislation, community relations policies, fair housing allocation and even-handed policies on the administration of justice (Fenn 1989:57).

This combination of repression and reform expressed the inevitably contradictory pressures on the British government after Direct Rule. In the early 1980's, with the political success of Sinn Fein, these shaky foundations for political order began to break down and the British government was forced into accept a greater role for the Republic in legitimating the political and social order in the North. This perhaps signalled a sea-change in state policies, North and South, and was a significant conditioning factor in the emerging negotiating agenda of the 'peace process' in the 1990's.

Overall, then, there was sharp divergence in state policies, North and South in the first forty years of Partition. There was some symbolic and tentative convergence in the 1960's as both governments developed externally orientated economic policies - that was reversed with political implosion and Direct Rule in the North after 1972. British political priorities and British government finance came to dominate Northern government, while, despite a reawakened interest in Northern issues, the South remained subordinate to the British and, having its own interests to pursue, was only able to make limited commitment to the resolution of the conflict (Ruane and Todd 1992).

Nonetheless, as successive British governments sought to construct political stability in the North, they were forced, increasingly, to accept a political role for the Republic in Northern affairs. This opened up new North-South political channels, expressing the Republic's renewed concern for political developments in the North. Despite having little substantive effect on North-South linkages, these channels had significant symbolic impacts for both states that, it can be argued, would make possible further adjustments of state policies, North and South, if encouraged by economic and ideological pressures for closer North-South integration. The EU



context for such a shift in state policies, North and South, is discussed in Chapter 8.

### *Chapter Conclusions*

In the South the economy was deindustrialised in the nineteenth century and partly as a consequence, the Southern state that emerged in the 1920's was dominated by a rural-based conservatism that shaped a protectionist, autarchic economic policy until the late 1950's. The North industrialised in the late nineteenth century, producing for export on the basis of sectarianised labour relations and the Northern statelet that emerged in 1921 was defined by continued membership of the UK and by the socio-political domination of a nationalist minority.

This North-South divergence persisted until the late 1950's as the "carnival of reaction" in both the North and the South, that James Connolly had predicted would follow the partition of Ireland, delayed the transition to more technically advanced forms of production (Mjoset 1993:249). When both parts of Ireland were forced to reassess their economic orientation in the early 1960's the result was a dramatic shift away from mutually incompatible economic and social policies, towards converging policies that required political shifts in the Republic and most especially, in Northern Ireland.

But any challenge to the uneven development of Ireland inevitably challenged sectarian relations in the North and undermined the Northern Ireland statelet. The result, in the 1970's, was a period of sharp political divergence. In the North the Loyalist DUP split off from the more liberal Unionists, and the repression of the civil rights movement radicalised Northern nationalists, leading to the re-emergence of an IRA committed to armed struggle. The imposition of Direct Rule, accompanied by the wholesale collapse of the Northern economy, and related dependence on the British Treasury, tied the North more closely to Britain. Meanwhile the relatively peaceful South pursued an EU-orientated growth path and became increasingly dependent on EU markets and external capital.

With the 1980's and '90's there were some, highly uneven signals that this divergence was becoming unsustainable. Facing the decline of indigenously-owned industry, economic elites, North and South, began to suggest that the answer to Ireland's viscous circle of dependency and unemployment lay in greater North-South integration. The realisation that Irish nationalism and republicanism had to re-forge a new all-island perspective was expressed in the deliberations of the New Ireland Forum and the Hume-Adams 'peace process' - a process of 'national reconciliation' that had the potential to encompass the Northern unionists. Finally there was increasing awareness that the British and Irish governments had a joint interest in containing the conflict and that both would benefit from establishing Anglo-Irish and North-South institutions to manage their common political agendas.

In the 1990's, in the context of accelerated EU integration, each of these three pressures for a strengthened North-South context for material interests, ideological conflict, and state policy, were increasing. These pressures are examined in the three Chapters of Section 3. Before doing so, Chapter 5 provides some specific historical background to the process of EU integration.

## Notes

1. Skilled workers were paid on average a third more than their counterparts in Scotland and South Riding, unskilled workers a third less. See Murray, 1903:416; Hunt, 1981:171; CSO (below); and Goodman, 1991.
2. Central Statistical Office Command Reports: (1873) *The Changing hours and rates of pay in textiles factories*; (1893) *The conditions of work in Belfast flax mills and linen factories*; (1894) *The labour of women and girls in textile factories*; (1912) *The conditions of employment in the linen and making-up trades*.
3. In the 15 lowest paid sectors of industry regulated by Wages Councils, rates of pay were "consistently below" the lowest UK rates. Meanwhile, skilled workers could expect to receive the same wage rate whether in Belfast or London (Stormont 1957:225). This pattern still existed in the early 1960's when fitters in Belfast were being paid at the same rate as their counterparts in London while labourers received a lower wage than any labourer in Coventry, Birmingham or London (Stormont 1962; Appendix 1).



4. In 1950 for instance, capital exports stood at £330m, capital imports at £85m (Stormont 1957).
5. *Business Telegraph*, 16 August 1994.
6. CSO *Regional Trends* (various years)
7. Phillip Flynn (ICTU President 1992-1994) - "Economic development - a trade union response", speech to a conference on *economic change and development: prospects for peripheral regions*, September 1993, Queens University, Belfast.
8. Protestant workers in constituencies such as Woodvale and Victoria voted four NILP members into Stormont in 1958 (all four were Protestant lay preachers) and in 1962, after further redundancies, the NILP vote rose by 15%. Two years later the NILP lost two of its four seats in Stormont, one, in Woodvale, to the Protestant Workers Association, as support shifted to Protestant Loyalism.
9. *Sunday Tribune*, 12 May 1992. Integrationism was also supported by the "Friends of the Union" group which was set up Ian Gow and other British Conservative MPs to oppose the Anglo-Irish Agreement of 1985 (See *The untried Solution: a stronger Union*, Friends of the Union Group, July 1993). The "Campaign for Equal Citizenship", which wanted British political parties to organise in Northern Ireland, and was particularly active in the British Labour Party, as the "Campaign for Labour Representation in Northern Ireland", also had integrationist implications (See McNamara K. *et al* (1993) *Oranges or Lemons, should Labour organise in Northern Ireland?* London; CLRNI (1987) *McNamara's Ban*, Belfast).
10. Trade unions were not represented in Parnell's Nationalist Party and in 1885 the Party recommended voters to vote Tory if a Nationalist was not standing in their constituency.
11. *Sunday Tribune*, 28 March 1993.
12. Tom Garvin, "Long Division of the Irish Mind", *Irish Times*, 28 December 1993.
13. *Ibid*
14. Although, in 1993, there were some indications that the Party was willing to envisage a re-wording of the Constitution to express popular desires for unity in aspirational terms rather than as a statement of legal jurisdiction: Albert Reynolds, Party leader, speaking at the Party's Ard Fheis, *Belfast Telegraph*, 28 February, 1993.
15. *Guardian*, 28 November 1992.
16. 1505 Catholic families were forced out of Belfast - a significant proportion of the city's 28,616 Catholic households.
17. The aspiration to unity was increasing (see Chapter 7) but there was a widespread war-weariness and tendency to emotional rejection of Northern nationalist concerns (*Irish Times*, 6 June 1991, 26 August 1993). This political and emotional distance was highlighted in March 1993 when the Irish Head of State - Mary Robinson - offered her official condolences to the families of the dead and injured after the IRA bombing in Warrington, only the second time that a Minister of State had publicly voiced concern at killings related to the conflict - the last time had been after the Bloody Sunday killings, 20 years previously. The bombing stimulated a wave of peace demonstrations in Dublin that were marked with "bitter irony"



- when the parents of children killed by plastic bullets in the North were refused the right to speak at demonstrations outside the GPO in the centre of Dublin: *Irish Times*, 1 April 1993.
18. Of the 149 Unionist MP's that sat in Stormont between 1921 and 1971 for instance, 135 were members of the Orange Order (Rumpf and Hepburn 1977:178). These MP's were largely free of UK Parliamentary interference - even in 1935, the year of the worst riots in Belfast since the 1920's, the UK Parliament spent one hour and 35 minutes discussing Northern Ireland.
19. In 1920 there were 25 non-Unionist MP's and 25 non-Unionist Councils. In 1921 constituency boundaries were redrawn and the political system was gerry-mandered so that by 1922 there were only 2 non-Unionist MP's and 10 non-Unionist controlled Councils. In local elections 25% of the electorate was excluded as voting was conditional upon property ownership (three quarters this property-less population were Catholic). In 1929 the UUP brought in the "first past the post" system to present voters with a clear choice between Nationalist and Unionist candidates. All elections in Northern Ireland became "sectarian elections" (as Beattie, NILP MP for East Belfast said in 1927), in which the odds were stacked against Nationalist candidates. In 1943 150,000 nationalist voters in Tyrone were represented by 82 councillors while 140,000 protestants were represented by 155 councillors. Between 1929 and 1969 only 40% of elections were contested and local councils became dominated by Unionist representatives. See Ultach (anon) (1943) *Orange Terror*, Linen Hall Library, Belfast, page 13.
20. Of the eight growth centres identified by the Matthew plan, one was in a Catholic district (in Downpatrick) and as most of the new housing was built around the growth centres, most of the employment was allocated to the Protestant community. The £35 million road building programme designed to serve the growth centres was also focused in Eastern, largely Protestant districts which already had a relatively well developed road network. Again, the new railways announced by the Benson plan did not service major Catholic towns like Newry and most controversial of all, the Lockwood Report announced that the new university was to be sited on the Northern coast in the small Protestant town of Coleraine rather than in Northern Ireland's second largest city - Derry (Farrell 1976).
21. Garret Fitzgerald writing in the *Belfast Newsletter*, 25 September 1993.
22. *Irish Times*, 30 December 1993.
23. In 1993, for instance, the *Irish Times* pointed out that "the battles to be fought over our schools are again also battles about the nation" - as highlighted by the Irish National Teachers Association, the Church played a central role in Irish state education, to the degree that religion permeated all aspects of the national curriculum as well as schools administration: *Irish News*, 1 July 1993; *Financial Times*, 9 February 1994.
24. *Irish Times*, 8 March and 16 June 1993.
25. Northern Ireland Office (1972)
26. Hansard (1976) House of Commons 912/1994, 11 September 1976.
27. Bob Cooper Chair of the FEC writing in the *Belfast Telegraph*, 1 October 1993.

28. Northern Ireland's prison population was 110 detainees per 100,000 residents. The prison population for non-'terrorist' crime stood at 32 per 100,000; *Irish Times*, 16 October 1993.
29. In 1993 this request was granted by the Court, which concurred with the British government position that there existed a "public emergency threatening the life of the nation". This justified UK derogation from the requirement that suspects be brought "promptly" to Court. The Prevention of Terrorism Act, 1974 permitted seven days interrogation of suspects, renewable by the Secretary of State, before being formally charged: *Financial Times*, 26 October 1991 and 27 April 1993.
30. *Irish Times*, 8 May 1993; *Guardian*, 26 July 1993.
31. *Irish News*, 2 April 1993; *Irish Times*, 28 May 1993.
32. It could be argued that the British government was unlikely ever to admit that power-sharing was "impossible", effectively ensuring that the Anglo-Irish Agreement would never lead to the creation of North-South institutions, even in these relatively restricted areas, without the consent of Unionist politicians in Northern Ireland.

# Chapter 5

## Integration in Europe

As transnational integration has accelerated states have attempted to maintain political control over increasingly globalised economic and social forces by acting jointly in 'global regions' (Hine 1992). As a result states have been transformed from 'bulwarks' against external influences into 'transmission belts' between 'external' global and 'internal' regional levels (Cox 1992). States increasingly mediate between domestic 'national' society and transnational or non-national forces. Rather than "representing a 'national' society and capital to the world" they "enforc(e) on the domestic economy and society the imperatives of a global economy" (Harris 1991:80).

These changing state roles form the wider context, indeed driving force, behind contemporary attempts to create a more integrated EU (Tsoukalis 1991). European integration is riven by tensions between the politics of sub-state regional development and regionalism and the politics of states and nationalism. As 'national' societies are integrated into the EU 'macro-region' there is a greater emphasis on economic development at sub-state 'micro-regional' levels and an increase in linkages between sub-state regions across state boundaries (Cox 1992b:34). Macro and micro regionalism are mutually reinforcing and have generated new political forces as states in the EU lose elements of traditional national sovereignty in the less nationally-orientated West European socio-economic system. These linkages between 'macro' and 'micro' regional development, combined with fears of greater peripheralisation in the Single European Market, have stimulated a reassessment of politico-economic orientations in Ireland, North and South, which, as argued in Section 3, have significant implications for the national conflict.



At the same time the EU bolsters, even extends, the exercise of state sovereignty and reflecting this, political identification with regions remains much less powerful than national affiliation (Taylor 1983). Indeed, common EU policies, projected 'outwards', strengthen state powers suggesting that "the increasing density of global society gives states new geopolitical roles" (Mann 1993:158). EU institutions express the state-centred constitution of the regional EU polity and "sit uneasily between being intergovernmental and being genuinely supranational" (Cochrane and Doogan 1993:94). Again, this is reflected in Ireland, where the impact of diverging state policies, pursued by the UK and the Republic of Ireland acquire a greater significance in the integrated EU context.

Using the analytical framework outlined in Chapter 3, it is suggested that this tension can be examined by focusing on three dimensions of the emerging EU social order. The re-definition of material interests as 'regional' rather than as exclusively 'national' interests; the recasting of ideological conflict in regional as well as 'national' forms; and the emergence of institutions and policies designed to meet regional needs are all examined to illustrate the tension between 'macro' or 'micro' regionalism and state-centred nationalism in the EU. First though, the historical background to the emergence of EU institutions in the post war era is outlined.

### *Historical development*

A number of interstate institutions were established in Western Europe in the aftermath of the Second World War. These forerunners of the EU began a process of integration aimed at creating a transnational West European polity, which would guarantee prosperity, underpin liberal democracy and maintain political stability. Initially these aims were linked to a post-War determination to heal divisions across Europe and to make war an impossibility. It was partly for this reason that the US government required West European states to distribute its Marshall aid collectively, through the Organisation for European Economic Cooperation. This was quickly overtaken by more 'externally' driven concerns, first to build a common West European political bloc in the face of Communist economic

integration (the COMECON was set up in 1949 and the Warsaw Pact in 1955). In the late 1960's this was overtaken by a concern to preserve and extend EU economic capabilities in the face of growing "Americanisation" of global and West European markets, stimulating a wave of renewed integration in the early 1970's. By the 1980's similar concerns at competition from the economies of East Asia as well as from the US, inspired an extensive programme of integration, leading to the Maastricht Treaty and the creation of the European Union in 1993.

The pace of regional integration in Western Europe has therefore, been driven by the fear of being 'overtaken' or 'outmoded' by external forces. Although it was initially established on more positive precepts and remains associated with 'functionalist' and 'neo-functionalist' attempts at creating a supra-state entity, these aspirations have, in practice, been combined with more negative fears of 'external threats'. This combination of aspirational and pragmatic, *ad hoc* motivations helps explain the disjointed emergence of EU institutions as a 'halfway house' between regions and states. State authority is uneasily juxtaposed with regional authority and EU policies invariably stand somewhere in-between the EU region and its member states.

This tension was illustrated as early as 1951, with the creation of the European Coal and Steel Community (the ECSC), which put all production of coal and steel within six member states under the control of a multilateral "High Authority". For the more federalist minded European politicians it was seen as building the "foundations for... a federated Europe". Its six members had access to considerable powers but they were all state appointees (Article 4) and could exercise executive powers on behalf of the member states only if they did not "restrict or distort normal competition within the common [coal and steel] market" (Article 57) (1).

These themes of state cooperation and limited regional integration re-emerged as more ambitious proposals were tabled in 1952, under the 'Pleven' plan for a European Army and a European Defense Community (EDC) with a European Political Community composed of state representatives that would establish a federal European Parliament. The

entire structure was to be subject to "safeguarding and appropriate representation of states" (Article 38 of the Treaty establishing the EDC, 1952), but when they still failed to pass through the French National Assembly, the plans were shelved (2).

Reacting to this failure, efforts at achieving integration were channelled into less directly political, more socio-economic measures. These came to fruition in the mid to late 1950's as political elites feared that individual European states were becoming enfeebled in the face of an over-bearing US economy, a fear that was only enhanced by the Suez conflict of 1956. In 1955 the six ECSC member states agreed to establish a Committee of Enquiry to examine the means of harmonising economic, monetary and social policies, as well as of removing restrictions on the movement of capital and commodities in European markets. The Committee was heavily influenced by the ECSC and by the experience of Benelux, and its Report laid the basis for the Treaty of Rome, signed by the Six in 1957 (3).

The Treaty was aimed at establishing a liberal trading regime within which states could pursue 'national' Keynesianism, a "symbiosis" that restricted the EU primarily to deregulative measures (Tsoukalis 1991:29; Milward 1993). Even in agricultural policy for instance, market regulation through the Common Agricultural Policy was seen as a means of ensuring that the creation of a 'free' market between the 'six' did not destabilise agricultural supply or farmers' incomes (Article 38). Pan-EU regional authority was made conditional on inter-state cooperation and, mirroring institutional arrangements for the ECSC, an appointed Commission was to work jointly with member states, represented in the Council of Ministers, in defining EU-wide priorities.

In the late 1960's renewed attempts at integration were again stimulated by fears of external competition, and in 1969 the EC Commission proposed a move to "economic and monetary union... so that [the EC] can stand on an equal footing with the other great world powers" (4). The heads of state, meeting of 1969, agreed to relaunch the EC and establish a new timetable for integration. This was embodied in the Werner Report of 1970, agreed by the Council of Ministers in 1971, which proposed that "the principal



decisions of economic policy [will] be taken at the Community level and therefore that the necessary powers will be transferred from the national plane to the Community plane" (CEC 1970).

This proved over-optimistic as the global regulatory framework, which had under-written convergence of domestic EC policy priorities, began to collapse in the early 1970's. The breakdown of the Bretton Woods System was followed by the successful restriction of oil supplies by OPEC which sent prices and wages spiralling in most EC countries. The resulting global recession led to divergence in the economic performance and economic policies of EC member states, in contrast with the 1960's. Some member states attempted to shadow the EC's most stable currency - the Deutschmark - while others, such as the UK and Italy, pursued a policy of competitive devaluation. There was a steep increase in protectionist measures, derogating from the GATT framework, and the EC began to act more confidently as a regional trading bloc in global fora such as in the Tokyo round of the GATT in 1975-9 (Tsoukalis 1991:38; Laffan 1992:53-5) (5).

This divergence stalled the proposals for renewed integration. As the Commission pointed out, there was "no agreement on how to achieve a common economic and monetary policy", concluding that "in the present state of affairs no real progress can be expected" (CEC 1976:21; Holland 1992:64). The only substantive outcome of this integrationist urge, eight years after the collapse of the US Dollar in the Bretton Woods exchange rate system, was the formation of a European Monetary System (EMS) in 1979 which formalised the French and later, Italian shadowing of the Deutschmark by managing exchange rates in an 'adjustable peg' system known as the "Exchange Rate Mechanism".

The third attempt at EU regional integration emerged in the 1980's, leading to revisions of the Treaty of Rome under the Single European Act of 1987 and under the Maastricht Treaty of 1993, both aimed at stimulating heightened regional integration. This phase of integration - which was more successful than its forerunner in the early 1970's - had serious implications for Ireland's national conflict. It therefore forms the focus for

discussion in the following three strands of analysis, which begins with an examination of material interests in the EU 'macro' and 'micro' regions.

### *Material Interests*

Economic or material interests played a key role in the development of the EU with phases of integration reflecting phases of economic growth. Growth of GDP in member states rose to about five percent per annum for the years after the Treaty of Rome until 1972, faster than US growth rates, thereby encouraging member states to pursue heightened integration in the early 1970's (6). The post-1971 collapse of US-sponsored economic regulation and of the post-War boom led to a decline in OECD growth rates, especially in Western European economies - and was a central factor in persuading EC member states to embark on the phase of renewed integration in the late 1980's and early 1990's (7).

From its inception the EC was a national, political response to perceived common West European regional economic interests. There was a partial shift away from the 'national' economic framework with the integration of distribution and exchange in a common market (EEC) and with integration of the 'commanding heights' of industry in the ECSC and EURATOM and of commercial agriculture in the CAP. But further integration beyond financial compensation mechanisms in structural funding including, from 1977, the European Regional Development Fund, and some limited exchange rate coordination from 1979, did not occur until the mid 1980's in the face of deep economic recession and renewed perceptions of economic insecurity.

The EC had largely been a mechanism permitting the regional co-ordination of nationally orientated economic policies. Consequently there was a constant tension between nationally and regionally defined material interests that sharpened in the context of accelerated integration in the mid 1980's. This tension is examined by analysing the implications for material interests, first at the 'macro'-regional EU level, and second, at the 'micro'-regional substate level.

## *The EU 'macro'-region*

In the face of heightened competition from North American and East Asian economies in the 1980's states increasingly put their faith in greater "action at the community level" (8). EU integration was seen as offering a lifeline to fragmented national economies - as Helmut Kohl, the German Chancellor put it in 1993 - "Europe can hold its own in worldwide competition with Japan and North America only if it acts as one" (9). In the belief that there were "no national solutions to economic issues", a consensus developed on the need for exchange rate stability, balanced fiscal and monetary policies, labour market flexibility, and market integration (10). This generated a programme of accelerated neo-liberal integration managed by strengthened EU institutions in the late 1980's and, as with previous attempts at integration, there was a partial re-regulation at the EU level to foster "European champions" able to compete in global markets and a "neo-mercantilism" as the EU competed with other global regions in international fora (Cornett and Caporaso 1992:228) (11).

From the 1970's, 'national' capital in Western Europe and elsewhere was increasingly transnationalised in a shift away from the integration of national capital to the integration of capitals across different states, loosening their ties with states and territories. This internationalisation of capital in the world economy rendered the levers of 'national' economic policy increasingly inadequate, creating a 'trans-state' capitalism which still needed the state but also increasingly controlled it (Gill and Law 1989). This emergence of transnational material interests at the macro regional EU level can be outlined in terms of finance, trade and production.

First, there was a marked increase in financial interdependence. EU states received 88% of all foreign direct investment (FDI) flowing to developed countries. A high proportion flowed either to or from EU states, suggesting a high degree of economic integration between them (49% of the UK FDI was EU-based in 1992). Both inflows and outflows of FDI grew exponentially in the mid to late 1980's (from £4 to £20 billion in the UK), to account for approximately 10% of EU GDP by 1992 (Agnew 1993; Das 1993).



As 'domestic' finance was globalised, resources were increasingly distributed according to global rather than 'national' rates of return. By the end of the 1980's commercial banks in OECD countries held 17% of OECD GDP in foreign financial assets, rising from 1.5% in 1980, while total yearly capital outflows were equivalent to 25% of OECD GNP contrasting with 5% in 1973 (12). International trading in equities had risen on average by 18% per annum between 1979 and 1988, totalling US\$ 1.2tr by 1988, leading to enhanced financial interdependence, and to closer global correlation of stock prices, during both boom and bust (such as in the 1987 stock market crash) (Das 1993; Frieden 1991). But, rather than equalising global rates of return, this integration was highly destabilising as "improved liquidity and trading technology... [allowed] investors to move quickly into and out of domestic and international investment positions" and investment portfolios focussed on the more profitable shorter term markets (13).

To a significant degree the logic of financial integration, expressing interests defined in an EU or global framework "diverged from the interests of specific nationally based industrial sectors" (Frieden 1991:440). After 1945 EU states had introduced controls on capital flows to "deflect blows of international competition" and permit Keynesian demand management (Goodman and Pauly 1993:79). In the 1970's and 1980's global finance flows encouraged states to deregulate capital markets - in Japan (1980), in the FRG (1981) and in Italy and France (1989). Only in the UK, when controls were removed in 1979, did this measure form part of a government's programme (Frieden 1991:434). Without such controls and in the context of an exponential growth of the global capital market, the effectiveness of 'national' economic policies was greatly diminished.

EU states sought to reconcile this clash between national priorities and global integration by acting together to strengthen exchange rate regulation, within the EMS and the ERM. But as these failed to address the issue of capital controls they were overwhelmed by capital speculation in the wake of the international recession of the early 1990's. Provisions were written into the 'Maastricht Treaty' for minimising government debt and inflation rates as a means of harmonising economic conditions, to achieve

'nominal' cohesion across EU economies rather than for strengthening 'real' cohesion through competition policy, regional policy or employment policy. These 'convergence criteria' and the move to Delors 'Stage 2', with the proposed creation of the 'European Central Bank' (ECB) to monitor economic policies, institutionalised global financial constraints and tied them to agreed structures, effectively internationalising 'national' state policies.

Second, EU trade was highly integrated. Exports accounted for an exceptionally high percentage of national income in EU states - in the decade from 1981 to 1990 exports accounted for an average of 28.5% of EU income - from 30.0% in Germany, 26.6% in the UK, to 59.1% in the Republic of Ireland, comparing with 13.2% of GDP in Japan and 8.2% of GDP in the US (European Economy 1992:252-3; Cameron 1992:37). This difference reflected high levels of intra-EU trade: in the 1980's 14.7% of the combined incomes of the twelve EU states, or 51% of all exports in the EU were destined for other EU economies. This level of dependence on EU export markets varied between EU member states - from 34% for Spain, 35% for the UK, to 53% for Germany and 84% for the Republic of Ireland - but the overall picture was of high, and increasing, trade integration in the regional, EU market. Again, this contrasted with Japan which was dependent on the Asia-Pacific region for only 36% of its export earnings, equivalent to 4.7% of Japanese GDP, while the US was dependent on the Americas for 35% of its export earnings, equivalent to 2.8% of US GDP (European Economy 1992: 253; Hine 1992).

Following the Treaty of Rome, customs duties between the six members of the EEC were reduced by half and in successive EC enlargements this was extended to the UK, the Republic of Ireland and Denmark (from 1973); to Greece (from 1981), to Spain and Portugal (from 1986); to the former East Germany (from 1990) and to Sweden, Austria and Finland (from 1995). Largely as a result of the increased volume of EC trade, imports from outside the Community fell as a proportion of total imports, from 55% in 1960 to 43% in 1970. But from 1973 imports from non-EU states began to grow at a faster rate than intra-community trade, rising from 43% of total imports in 1970 to 45% in 1980, prompting concern in the late 1970's and

early 1980's at an economic and political "Euro-sclerosis" as national Keynesianism disintegrated in the face of intensified international competition. Economic recovery in the late 1980's, on a wave of market deregulation, partly stimulated by the Single European Act of 1987, led to a fall in the proportion of imports from outside the Community to 37% by 1990 and intra-EU trade rose from 44% of total EU imports in 1980 and to 51% by 1990 (European Economy 1992).

Reflecting levels of competition from non-EU economies this phase of market integration had deeply uneven impacts. In terms of individual sectors, there was predictably, a substantial drop in intra-EU trade in clothing and textiles (from 70% in 1971 to 45% in 1989) and a marked decline in iron, steel and motor vehicles. Intra-EU trade in manufactured goods recovered in the 1980's, and, reflecting the CAP, trade in foodstuffs became consistently more EU orientated (rising from 30% in 1961 to 65% in 1989) (European Economy 1992; Lloyd 1992) (14).

Third, there was increased integration of productive capital. By 1991 one third of global private capital was owned by multinational or transnational corporations and their sales accounted for 25% of global GDP (United Nations 1993). There was a rapid increase in cross border, often intra-firm sourcing of 'intermediate' products, leading to a hollowing out of 'national' firms as companies began to act less as 'national champions' and more as transnational or "global organisations" (United Nations 1993). This increased the mobility of productive capital as supplier contracts were significantly more 'footloose' than productive assets, allowing global conglomerates to switch their operations across national and regional borders to circumvent state or regional regulations.

The phase of accelerated EU integration in the 1980's was aimed at enabling EU companies to compete in a larger, regionalised market-place - at creating "an economic environment within which European champions (were) better able to compete with their Japanese competitors" (Amin *et al* 1992:320). The SEM was seen as directly benefiting these pan-EU companies and, by direct implication, to the longer term survival of the wider EU economy. Production in the EU became increasingly concentrated as from



the mid 1980's, company funds were focussed on pan-EU takeovers and mergers, undermining product and process development, encouraging integration of goods markets rather than geographic specialisation and removing competitive pressures, leaving final goods markets and consumption patterns relatively untouched. Consequently, the bulk of trade creation in the 1980's involved trade in 'intermediate' goods between firms: from the early 1970's to the mid 1980's imports of such goods rose by 10% to 30% in West Germany; by 18% to 38% in France; and by 20% to 37% in the UK. Again, reflecting the highly advanced integration process in the EU, this contrasted with only slight increases in external sourcing in the US, rising 5% to 10% and Japan, rising 1% to 5%) (15).

Rationalisation, reorganisation and relocation generated an EU "system of production" and stimulated a boom in corporate profitability in the late 1980's, leading to the development of "a more unified and articulated European economy", that was increasingly in the hands of an EU corporate elite of favoured oligopolists (Rosewarne 1992:96). Between 1983 and 1989 mergers and takeovers registered at the Commission quadrupled (from 155 to 662, falling to 455 in 1990) and in 1991 the Commission sounded a note of caution, commenting that there had been a "remarkable expansion" of international merger and takeover activity in the late 1980's, expressing some concern that they appeared to be aimed at strengthening market positions (CEC 1991a:417) (16).

There were increasing fears that EU companies would play off the regions and the states of the EU against each other, encouraging a rush to the unregulated, de-skilled end of the labour market, a process of 'social dumping' in which short term profitability would override longer term development strategies. In the 1990's these fears began to be substantiated. In the Irish Republic for instance, the electronics firm - *Digital* - relocated, leaving a public infrastructure that had been tailored to their needs (17). In the UK the EU-owned *Hoover* company relocated from Dijon to Scotland in search of lower wages and - ironically - *Nestle Rowntree* relocated from Glasgow and Newcastle to "more modern facilities" at Dijon (18). As a "relocation specialist" with *Ernst and Young* Accountants confirmed in 1993, manufacturing firms had ceased to be concerned with competing in their

national market and instead had begun to focus on achieving scale economies in the EU economy as a whole (19). The European Commission viewed this beggar-thy-neighbour competition as particularly damaging to EU economic prospects and argued that harmonisation of labour market policies was the main means of preventing it. In 1993 for instance, the Commissioner for competition policy proposed, in his annual Report, a strengthening of common EU social policies as a counter-weight to increased company power in the increasingly deregulated SEM (20).

Overall, economic integration was leading to a "decay of that older relationship between national capitalism and national solidarity" (21). Integration, in finance, trade and production struck against the interests of the lesser, 'national' or substate, regional 'champions', and threatened to widen inter-regional disparities and undermine social cohesion in the EU (Kay 1992). As EU economic integration lifted capital out of the 'national' framework, this uneven development between substate regions undermined state structures from within. A major disjuncture emerged between the impacts of corporate decisions, often taken at the EU level and influenced by EU-wide, more often, global economic factors, and the localised effects of plant closures or plant relocations. The lack of state or of EU institutional mediation of this local-global interface, except in terms of retraining packages and social assistance to cushion the impacts, reflected a widening power-gap between the owners of capital and the people that produced it (Benington 1990:16). To some degree, from the 1980's this power gap was being filled by sub-state regional elites as they reacted to widening disparities in the emerging Single Market.

### *'Micro-regions' - regional disparities*

Integration into the SEM was encouraging substate micro-regions to seek greater local economic powers. As the tools of 'national' economic management were weakened, development strategies at the substate - regional - level became more significant and political autonomy was increasingly perceived as an urgent economic necessity. This largely reflected increased divergence in regional fortunes that had begun after economic collapse in the 1970's and had been exacerbated during a partial

recovery under deregulated, neo-liberal policies in the late 1980's and early 1990's.

The 'long boom' that had been built on the basis of national Keynesianism from the late 1950's to the early 1970's had led to increased convergence between the regions of the EU. The period of economic stagnation from 1972 to 1985 saw a rapid divergence between these regions, as economic growth declined and was increasingly concentrated in the already economically advanced EU regions. In the UK the heartland-periphery division of labour, between the consumer industries of the Midlands and South East and the heavy industry of Northern England, Wales, Scotland and Northern Ireland, that had emerged in the immediate post-war era, was translated into a divide between expanding producer services, especially financial services, in the South-East, and deindustrialisation elsewhere.

Restructuring had a similar impact in West Germany, where economic divisions emerged between North and South, with Baden Wurttemberg, Heidelberg and southern Bayern, including Munich developing a role as research and production centres for mechanical and electrical engineering, especially in the auto and defence industries, while the older industrial regions of Northern Germany, such as in Nordrhein-Westfallen, became the German equivalent of the UK's peripheral 'rust belt'. In France there was also sharp economic collapse in the industrial heartlands of Nord pas de Callais, Lorraine and Ile de France while a new development pole emerged in the South, in the Rhone-Alpes, centred on electronics, computer production and aircraft industries. Meanwhile, in Italy there was industrial collapse in the North, partially mitigated by an industrial revival in Lombardy and Piedmont, serving to sharpen North-South differentials as the South continued to fail to develop. Spain experienced a similar collapse in its industrial regions, particularly in the North, centred on the Basque country, but also in Catalonia and specifically, Barcelona while, in contrast, from the 1970's the Ebro valley, Catalonia and Madrid emerged as centres for international investment, industrial production and producer services.



The contrast between deindustrialised regions, unindustrialised regions and regions that were in some sense 'internationalised', with access to transnational capital and integrated into transnational divisions of labour, sharpened in the 1980's and 1990's (Campagni *et al* 1991:308-10). This occurred despite EU regional policy which was increasingly directed at narrowing economic differentials between EU regions rather than between EU national economies. Although funding was doubled in 1988 and was focused on those most 'in need', it still stood at a mere 0.9% of EU GDP or 0.46% of EU capital formation, comparing unfavourably with the supposed efficiency gains of the single market, widely expected to accrue to core regions (Perrons 1992:187; CEC 1987). This also contrasted for instance, with an average 9% fiscal redistribution in the US Federal budget, where maximum *per capita* GDP disparities stood at 140%, comparing with 240% in the EU (Suarez-Villa and Roura 1993).

In general terms, as highlighted by successive Commission Reports on regional development, national economies had become more 'regionalised' in the 1990's (CEC 1979, 1984, 1987 and 1990). The First and Second Reports drew extensively on the forty variables measuring regional development collated by EUROSTAT - to develop a typology of EC regions and the six categories yielded by the Third Report were used as the basis of the reformed EC regional policy that was agreed in 1988 - distributing structural funds to each of the six types of region - those "lagging behind"; regions with declining industries; agricultural regions; declining urban regions; frontier regions; and peripheral regions.

More significant though, the Third Report of 1987 - before the '1992' programme began - argued that interregional disparities were becoming more important than interstate disparities and concluded that "divergences in unemployment cannot be traced back chiefly to differing national trends" (CEC 1987:63) Whilst the latter had remained relatively constant, inter-regional inequalities were shown to have widened at an alarming rate. The difference between the twenty-five regions with the highest unemployment rate and those with the lowest unemployment rate within the 11 EC states (excluding Greece) had widened from at 5.7% in 1976 to

14.6% in 1985 and for the nine member states of 1974 the gap had widened from 4.3% in 1970 to 11.4% in 1985 (22).

Concerns about the possible negative effects of integration on regional development had been raised as early as 1970 - when the 'Werner Report' on economic and monetary union argued that an EC-wide regional policy was a necessary component of any move to accelerated integration (CEC 1970). In 1990, two years before the official 'completion' of the Single Market and during negotiations over closer monetary and political union, the Fourth regional report showed that unemployment disparities had remained relatively constant - at 14.1% for the 11 EU member states, compared to the figure of 14.6% for 1985 - despite the increased expenditure on EU regional funds (CEC 1990, Tables A and C).

The report speculated that the integration process was causing these disparities, but rather than calling for more effective measures to correct this - beyond very limited fiscal redistribution - it sought consolation for the weaker regions in the notion of 'specific regional competitive advantages' within the SEM. Drawing on the more optimistic versions of the 'post-Fordist' future, it asserted that the distinction between "high" and "low" technology was disappearing and that "flexible specialization" would reduce the importance of 'scale economies', allowing the less advantaged regions to become more prosperous by producing specialised products for 'niche' markets, even when dependent on low growth sectors of industry (CEC 1990:80-1).

This perspective was central to *Europe 2000* - the Commission's discussion document on regional development in which it was suggested that "new location factors" were opening up economic opportunities for peripheral regions in the SEM (CEC 1991b:53). It argued that "flexible production systems" were making firms more mobile and that their location decisions were increasingly influenced by qualitative 'lifestyle' factors.. Drawing on the experiences of 'Silicon Glen' in Scotland, Rennes in France, the Pais Vasco in Spain and noting the potential of information technology and telecommunications for altering 'comparative advantage', it argued that

increased mobility could help the 'periphery' and "promote a more balanced distribution of economic activity" (CEC 1991b:199).

This upbeat conclusion underplayed the continuing, indeed sharpening difficulties faced by peripheral economies, reflected in sharpened inter-regional disparities in unemployment and income (Perrons 1992). In particular, the Southern European "orbit of underdevelopment" from Southern Italy to Southern Spain to Greece and the West European "Atlantic arc" from Portugal to Ireland including Northern and Western parts of the UK, remained significantly and in relative terms - increasingly - less developed than the "vital axes" of EU development (Dunford and Perrons 1994).

*Europe 2000* had identified growing employment in key growth sectors in a Southern European "growth axis", from Baden Wurtemberg and Lombardy, through the Rhone Alpes to Catalonia. This complemented the "traditional heartland of industrial Europe" that extended from Northern Italy across western Germany, Northern France, Belgium, the Netherlands and South East England (CEC 1991:1-2). Tendencies in the so-called "motors" of this new "growth axis" - Catalonia, Baden Wurtemberg, Lombardy and Rhone Alpes - can be contrasted with developments in more peripheral regions such as the Sud region of Italy, the Sur region of Spain and the Republic of Ireland and Northern Ireland (See Appendix 2).

In terms of employment structure, there appeared to be a rapid growth in the significance of employment in marketed services, both in the new growth centres of the EU and in its more peripheral regions. This was accompanied by a rapid decline in the proportion employed in manufacturing in the new growth centres. In the peripheries meanwhile, agriculture declined in importance and manufacturing remained as significant an employer in 1990 as it was in 1980. This shift to a more uniform sectoral spread of employment across the EU did not necessarily imply a converging EU spatial division of labour. Concentration of less advanced, labour intensive employment in the periphery while capital-labour substitution reduced manufacturing employment in the core



regions is not reflected in a strict sector-by-sector analysis (See Appendix 2, charts 1-10, tables 1 and 2).

This uneven distribution of the stages of production, rather than the sectoral divergence, has forced the periphery to absorb cyclical shifts in production - clearly reflected in levels of unemployment particularly of long term unemployment in the core regions, compared with the periphery (See Appendix 2, charts 11 and 12). There was an increasing separation between research or development using highly skilled, relatively well paid labour, creating a sustainable economic base in the core regions and unskilled neo-Fordist production or even outworking, using low paid employment in peripheral regions. EU manufacturers appeared to be relocating to make use of relatively cheap labour often in 'greenfield', non industrialised regions without a tradition of trade union organisation, hence such employment growth is invariably dependent upon external decision-makers and is a measure of economic weakness and unsustainability rather than of economic strength (NESC 1989:338).

The picture that emerges then, is of widened disparities in income levels and incidence of unemployment - particularly long term unemployment - and convergence in sectoral employment and in manufacturing structure. The demand for qualitative measures to reduce these inter-regional disparities, such as the re-direction of capital flows at the EU-wide level, rather than relatively insignificant financial transfers from EU funds, became more urgent as economic integration accelerated. Increased deregulation of highly oligopolistic European markets stimulated intra-industry rather than interregional trade and the policy of developing "European Champions" able to compete in global markets directly undermined development prospects in the less developed regions (Begg 1989; Amin *et al* 1992:32). Meanwhile, efforts to achieve "nominal cohesion" between tax rates, exchange rates and inflation rates was likely to worsen interregional inequalities and undermine the process of achieving "real convergence" between the regions (Williams *et al* 1991) (23).

As regions competed to influence the location of production, local income levels were held down, economic cohesion was damaged and EU-wide

economic prosperity was undermined. These problems of EU-wide deflationary pressures had been predicted in a confidential Commission study which argued that the removal of exchange controls had "eliminated a major means of correcting supply imbalances across the community and of restoring the competitiveness of... regions which suffer losses in trade shares", leaving them with no option but to engage in a particularly damaging process of competitive deflation (24). In 1991, for instance, the European Parliament's Committee on Economic and Monetary Matters pointed out that existing inter-regional disparities in the EU were almost twice as wide as in the US, and argued that economic and social cohesion - "the well-being for all citizens" - should become the "unifying feature of community policies" (European Parliament 1991a:20; 1992a). The failure to recognise these issues was reflected in the necessity to widen 'ERM bands' to 15% in 1993 and the failure to meet the nominal 'convergence criteria' almost as soon as they had been agreed (25).

Indeed, economic prospects across the EU hinged on the ability to reduce social and regional inequalities and maintain acceptable levels of effective demand in the EU economy as a whole (Dunford and Perrons 1994). There were some signals that such concerns were being forced onto the EU political agenda in the early 1990's, embodied in the proposals for neo-Keynesian reflation and 'supply-side Keynesianism' at the EU level. To some extent these were reflected in emerging EU urban policies, in attempts to revise the Maastricht 'convergence criteria', in the 'European Recovery Programme' of limited re-flation, and in the reflationary aspects of the Delors' White Paper on reducing unemployment (26). These issues are further discussed below, in which there is some attempt to sketch out the ideological conflicts between states and regions raised by the phase of renewed EU integration; again, first at the 'macro' and second at the 'micro' regional levels.

### *Ideological conflict*

The EU was constructed out of a desire to reconcile enemies in the post war era and to underpin the construction of liberal democracy in Germany and

Italy. The Union would assist in the process of re-constructing a more a stable Western European capitalist bloc - an objective that was particularly urgent in the context of the East-West Cold War. As was argued earlier, this defensive ideological rationale was re-formulated in the late 1960's in the context of declining US hegemony, and again in the face of intensified competition from East Asian economies during the early 1980's, suggesting that the basis for European integration was "the enemy against which Europe was allegedly forced and felt obliged to fight" (Harle 1990:5).

These profoundly negative, reactive ideological foundations for European integration reflected the lack of a positive set of common values unifying the EU member states. The national and 'macro'- or 'micro'-regional framework for political legitimation were consequently in constant tension in a 'Union' that was propelled by an impulse to increase the power of Western European states acting together as a regional bloc. Indeed, amongst EU politicians, "the nationalist European is the most common breed of all" as across the EU, states constructed often tempestuous marriages between national interests and EU regional integration (Gibb and Wise 1993:36).

Despite this, a regional rather than a state framework for ideological and political conflict began to emerge as socio-economic issues were increasingly defined as regional issues, of concern to EU institutions or to substate regional authorities. This non-national framework for addressing and resolving such issues was in constant tension with the existing national state framework - a tension that was focussed on the definition of political authority at the EU 'macro' level and at the 'micro' substate level.

### *'Macro'-regionalism*

The revival of macro-regionalism in the EU was a product of ideological convergence around a common political agenda, generated out of a common feeling of economic vulnerability. The final defeat of 'national' Keynesianism was signalled with a series of political defeats in the late 1970's and early 1980's: in 1979 with the destruction of Callaghan's social contract between labour and capital in the UK; in 1982 with the defeat of Schmidt in West Germany; and in 1983 with the collapse of the



Mitterrand's expansionary economic policy in France. These stimulated programmes of 'national' economic retrenchment and laid the groundwork for a pan-EU consensus on the need for market deregulation as concepts of the "social market" which had formed the basis of consensus between European Christian Democrat and Socialist Parties until the late 1970's were replaced by concepts of market efficiency (Thompson 1993). Indeed, "it is hard to imagine '1992' having been initiated except for the swing away from socialism and toward free markets that occurred in the 1980's" (Shapiro 1992:134).

These ideological shifts were also reflected in emerging political divisions in the European Parliament (EP) - between a group advocating an EU-led 'European recovery' founded on deregulation and those advocating a more explicitly political initiative to stimulate 'European Union', conflicting emphases that were expressed in the controversial "Albert-Ball" report of 1983 and in the "Draft treaty on European Union" passed by the European Parliament in 1984 (European Parliament 1983). At the same time, European multinational companies took the initiative to lobby for a renewed programme of EU integration on a neo-liberal basis. Encouraged by the European Commission, twelve of the largest EU electronics companies formed the "roundtable of European industrialists" which pressed the Commission to embark on a programme of EU-wide deregulation - what they published as the *Europa 2000* plan - and struck an agreement that led to Commission initiatives encouraging pre-competition agreements in the telecommunications and information technology industries (Tsoukalis 1991:46; Moravcsik 1991).

Ten years later, in 1994, following the surge in cross-EU merger activity, it was possible to speak of the formation of a relatively unified "European corporate system" (Amin *et al* 1992:326). Transnational corporate interests maintained their foothold in EU structures in the 1990's and lobbied for greater EU integration, on their terms, particularly in monetary matters through the "Association for Monetary Union in Europe" (Freiden 1991) (27). Meanwhile, the lack of a unifying pan-EU political culture, combined with the destabilising effects of deregulation was expressed in a greater salience of regional and national divisions.

EU socio-economic integration exposed the exclusivist, reactive social principles of Western European political culture as the process of forging a European civic identity led to a sharpened distinction between 'nationals' and 'non-nationals', defined in ethnic, religious or cultural terms (Maclaughlin 1993). As EU integration was built on existing EU member states, the right to EU citizenship was conferred only on the 'nationals' of EU member states - not on their 'residents' - and as many member states conferred nationality on the basis of 'blood' rather than place of residence or even - in the German case - place of birth, this translated into an ethnically based rather than a geographically based definition of EU citizenship (Maastricht Treaty, Article 8.1). At the same time, the dismantling of border controls within the EU led to increased internal surveillance as, for instance, inter-police coordination increased, a tendency symbolised by the reallocation of 1600 customs officers across the EU from frontier duty to intelligence gathering (28).

Beginning with the Dublin Convention of 1990 EU member states began constructing "a wall around the EU high enough to allow the internal frontiers to be dismantled": in 1992 an EU list of "undesirables" was drawn up, and states agreed to reject asylum applications for refugees who had passed through a 'safe' 'third' country, effectively transforming bordering Eastern European countries into human buffer zones. This was complemented by a range of internal controls as a pan-EU police intelligence system, autonomous from democratic accountability, was constructed on the model of the "Schengen Agreement" of 1985 which by 1992 had been signed by all EU states except the UK and Ireland. The Agreement allowed information-sharing on all aspects of state security with individual files to be kept secret from those subject to "discreet surveillance", and permitted internal EU extradition without explanation - a reactionary move to increasingly exclusive internal controls that "had all the hallmarks of an authoritarian state" (29).

More generally this reflected the lack of any clearly defined political or cultural configuration of "European-ness" (Schlesinger 1994). Indeed, most EU political parties seeking or exercising power in state parliaments saw

the EU as bolstering their state-centred version of EU politics - as "an extremely effective transnational vehicle for national interests", providing both allies and alibies (30). In Germany for instance, the ruling Christian Democratic Party called for German "national belonging" in the context of EU integration in 1993, the first time that mainstream post war German parties had entered an election campaign with an avowedly 'patriotic' platform (31). Meanwhile, in the UK, the British Conservative Party wavered between a nationalist rejection of EU integration, advocated by a minority of 'Europhobe' Tory MP's in the House of Commons, and an equally nationalist (in fact Gaullist) preference for posturing as a champion of British interests at the EU level, arguing that "whatever happens in the Community the French will be no less French, the Germans no less German the Danes no less Danish". As the Conservative Party Chair - Norman Fowler - emphasised, "we are certainly committed to Europe. We are also at the same time committed to British interests". The British Labour Party also adopted this latter approach, pledging in its 1994 European manifesto that it would "increase the strength of Britain's voice in Europe", and insisting that the unanimity principle be preserved for "key areas of national interest" at the Council of Ministers (32).

Reflecting this persistence of national orientations, attempts at building a more politically unified EU foundered on the divergent national interests of member states and EU structures have been built on economic, functional cooperation, not on a common, shared political identity. Even where integration touched on wider issues - for instance in EU cultural and media policy - policies were aimed at defending existing 'national' cultures against encroachments (from the US media industry) rather than at defining an inclusive, common EU cultural configuration (33). Perhaps more important, in looking eastwards, EU policies - particularly trade policy - could hardly have been less friendly. As a Polish Defence Minister pointed out - the Commission and member states had haggled over Eastern European import quotas when the total amounted to no more than 1% of total EU imports (34).

This was further illustrated by the breakdown of intergovernmental political consensus around the Maastricht Treaty in the context of



sharpened recession and monetary crisis in 1992-3. Despite the concerted efforts of EU central banks - spending the equivalent of DM284bl in the six months from June 1992 - currency markets exerted downward pressure on a number of EU currencies - especially Sterling which had entered at an over-valued ERM 'peg' in 1990 and was forced to leave the Mechanism in October 1992. "Ancient reflexes reasserted themselves" as British government ministers accused German financiers of deliberately deserting Sterling, while French ministers did likewise to British financiers and editorials in the German, Italian and French press appealed for their governments to defend their national interests (35).

While national economies and national cultures were defended by common action at the EU level, so-called 'non-nationals' were denied EU citizenship or were turned away at its borders. This politics of fear encouraged a drift towards the lowest common denominator amongst EU member states - whether in terms of economic, social or cultural regulation and ensured that the most successful political initiatives at the EU level were those aimed at excluding and insulating 'fortress Europe' from the various international pressures, including from population flows. Certainly the most tragic and probably the most significant consequence of this process of redrawing boundaries in Europe was the failure to take responsibility for the war in Yugoslavia, where EU states presented themselves as neutral arbiters, as a "bastion of Western civilisation.. in the face of oriental barbarism", wanting to "establish a kind of balance of guilt where everybody is equally mad", rather than act to defend a multi-cultural, not "ethnically cleansed" European society in Bosnia-Herzegovina (36).

This compromise or contradiction between the creation of a West European, EU-focussed identity and the pre-existing national identities on which it was built was perhaps most clearly exposed by the attempts to establish an EU institutional jurisdiction. The process of devising a legal definition of EU political authority resulted in a "compromise between the inadequate and the impossible" as European lawyers attempted to bridge the ideological gaps between national sovereignty and regional integration (Hoffmann 1994:18). In the 1960's for instance, the European Court of

Justice (ECJ) interpreted the Treaty of Rome as creating a constitutional regime rather than a simple agreement between sovereign states (Shapiro 1992:126). It established the doctrine of "direct effect" which allowed individuals to challenge member states through their national parliaments and if necessary, through the European Court should states fail to implement EU Regulations and Directives (in the Van Gend en Loos case of 1963) and, the following year this was underlined through the doctrine of EU legal supremacy (in the Costa v. ENEL case of 1964) (Cameron 1992:53). These legal doctrines closed off the option of selective implementation of EU law and effectively 'nationalised' community obligations, leading to the "empty seat" crisis over the use of the French veto in the Council of Ministers in 1965-66. This stimulated a parallel 'nationalisation' of the EU institutional system in the 1970's, as member states became more concerned to influence the decision-making process, leading to growing state penetration of supranational EC institutions. Similarly, in the 1980's, extended EU authority under the majority voting system introduced with the Single European Act (SEA), was followed by a period of increased state penetration of the institutions (Weiler 1990).

The European Parliament (EP) also reflected conflicts between states and the 'macro'-region. Since 1979 MEPs were directly elected on an EU basis, every four years, but they were not elected on the same polling day nor even under the same electoral system as member states could not agree on the appropriate timing or system for the elections. Many MEP's held office as members of their 'national' parliament and in some cases, also as members of their local or regional authority. European political parties were formed - the European Socialist Party in 1974, the European Peoples' Party and the European Liberal Democrats in 1977, in anticipation of the first direct elections but there have been constant confusions and contradictions between community and 'national' Party manifestos, with the European Parties offering support to national groupings during EP elections rather than campaigning on a pan-EU basis.

Overall, the formation of a west European political bloc was fraught with ideological and political conflicts between national states and EU regional authority. The resulting mixture of 'macro'-regional and national

orientations was written into the development of EU policies and institutions.

### *'Micro'-regionalism*

Tensions between the national political framework and the 'macro'-regional framework for ideological development were paralleled by similar conflicts at the substate regional level. The late 1970's and 1980's had seen a progressive decline in the role of the 'national' state in the regulation of the domestic economy which was accompanied - and perhaps caused - by a collapse in economic growth. The failure to construct a replacement regulatory regime at the EU level, instead choosing further, EU-led deregulation through the SEA and the Maastricht Treaty, led to a significant widening of disparities between substate regions in the late 1980's, despite the rise in EU-directed regional transfers - which were seen by many as a "cynical sop to soften the inexorable logic of free market competition" (37). This stimulated a micro-regional response, in the form of increased demands for political and economic autonomy from national states.

As EU membership was widened in 1973, 1982 and 1985, EU states became increasingly concerned to minimise interregional disparities. The 'European Regional Development Fund' (ERDF) was established in 1975 and the Commission was given the responsibility for drawing up assessments of EU regions, to be published every four years. As noted earlier, these assessments came to assume central importance in the calculation of relative regional deprivation and in the distribution of regional aid - particularly from 1988 when the Council of Ministers decided to concentrate funds in regions "lagging behind" (the so-called "objective one" regions) (CEC 1988).

As the economic significance of carving up the EU into regions and ranking them according to ERDF objectives increased, so did its political significance. The Commission had an interest in advocating an EU-wide regional policy and encouraging the growth of regional representation as a means of enhancing its own powers as well as of improving social and



economic cohesion. Although the links between the Commission and regional interests were strongest in the Regional affairs directorate, both the Environment and Competition directorate increasingly recognised the need to draw up common EU policies that catered for regions as well as for states (CEC 1992a; 1992b: 428).

In alliance with the regions, the Commission was engaged in a process of defining an EU-wide regional development policy that, by necessity undermined and superseded existing state authority. In the process it legitimised autonomist movements as regions worked with EU institutions to challenge member states' development priorities. This led to a proliferation of disputes over 'national' and regional priorities and the use of EU regional funds for state expenditure programmes (the 'subsidiarity' and 'additionality' debates), in some cases - most notably in Portugal, Greece and Ireland - leading to the creation of political or administrative structures in the regions (Leonardi *et al* 1992) (38).

The legitimacy of regionalism was also enhanced by the European Parliament and its Regional Policy Committee. The two 'Regions of the Community' conferences which the Parliament sponsored jointly with regional associations in 1984 and 1991 played a key role in driving forward the Commission's agenda. The first conference led directly to the creation of the Association of European Regions (in 1985 - by 1994 it had 171 members) and the Consultative Council of Local and Regional Authorities (in 1988); and the second ensured that the 'Committee for the Regions' was not written out of the 'Maastricht Treaty' by the European Council when it met to approve the Treaty in December 1991 (39).

Partly encouraged by EU institutions and in response to the 'threats and opportunities' of the SEM, sub-state regional groupings sought greater financial assistance from the 'structural' funding regimes managed by EU institutions and demanded greater political power to enhance their autonomy from national states. Across the EU regional elites attempted to gear their regions to the needs of international capital, 'plugging into' trans-national markets and networks and seeking to develop regionally-focused systems of innovation as a means of reversing deindustrialisation,

to achieve what some observers called "regional inversion" (Suarez-Villa and Roura 1993). In many cases the regional authorities played a key, neo-corporatist role in stimulating economic development, linking 'Eurocrats', multinational companies, the local bourgeoisie and the local trade union movement. As a result, the lack or weakness of regional political structures was increasingly seen to have a debilitating effect on regional economic performance (Harvie 1990; European Dialogue 1993; Leonardi *et al* 1992: 265).

This increased EU-orientation of local and regional authorities was expressed in a burgeoning of the EU regional lobby - nothing less than an "explosion of political activity at the subregional level" (Anderson J.J. 1990:428). Authorities began opening offices in Brussels to ensure that their interests were being served by EU institutions - to compete and sometimes to collaborate with existing Brussels-based state representations. Bavaria was the first region to fund a representative in Brussels, following a breakdown in relations between the regional and the Federal government on EU related issues in 1986 (40). By 1992 all 16 Lander had joined Bavaria, along with many other EU regional and local authorities - including 26 authorities from the UK (41).

Even in the UK - one of the EU's most centralised states - regional and national groupings had intensified their demands for autonomy, fearing further political marginalisation and economic deterioration in the Single Market. Neo-corporatist 'partnerships' were established at the local or regional level bringing together local representatives, commercial interests, trade unions and educational establishments, to maximise opportunities in the SEM. The Campaign for a Scottish, for a Welsh and, in England, for a Northern Assembly, argued that regional autonomy was urgently required in the SEM (European Dialogue 1993; Scott and Millar 1992). The 'North-West Regional Association' and the 'West Midlands Regional Forum' were encouraged by the European Commission to bid for the 1995-99 tranche of regional funds in parallel with central government departments while in London the need to jointly lobby for European regional development funds brought together the Conservative-controlled London Boroughs Association and the Labour-controlled Association of London

Authorities (Birch and Holliday 1993; Rose 1992) (42). In Northern Ireland meanwhile, a cross-community coalition including business organisations and local authorities established the 'Northern Ireland Centre in Europe', and business interests campaigned for North-South economic integration in an all-Ireland regional economy (See Anderson and Goodman 1993, 1994a, 1994b).

Welsh and Scottish nationalists, initially hostile to EC membership, also became enthusiastic advocates of EU integration - primarily as it was seen as favouring the case for national independence in the face of sharpened British statism during the 1980's (Keating and Jones 1991) (43). In 1989 the Plaid Cymru linked their campaign for an independent Wales to the process of EU integration - using the slogan "Wales in Europe" and demanding "full national status for Wales in the EU". The 1994 manifesto, *Making Europe work for Wales*, argued that the EU was moving towards a Europe of the peoples in which Wales would be "an ideal unit" and suggested that the Council of Ministers should be extended to include representatives of the regions - making it a "senate of the nations and historic regions"(44). The Scottish Nationalist Party policy paper of 1992 - *Scotland: a European nation* - launched the slogan of "independence in Europe", rejecting those that would "fob Scots off" with regional status in a Europe of the Regions and calling for Scotland to be transformed from a "second class region of Britain into a first class nation in Europe". Its manifesto for the 1994 EP elections - *Power for change* - favoured Scotland becoming "a powerful partner in the new EU of equal member states... a full and equal member of the European family", not "separated from the mainstream by little Englishers in London" (45).

In 1992 the President of the Commission - Jacques Delors - appealed for politicians to look to the EU to illustrate how diversity could be a strength rather than a weakness, and there was some evidence that this was occurring across the EU as sub-state nationalist and regionalist parties increasingly defined their goals in an EU framework (46). In the Basque country, where the total nationalist vote rose to 66% of the total electorate in 1990, the Nationalist Party leader Xabier Arzalluz aspired to regional autonomy within the EU, arguing that the key to Basque independence lay



in an EU constitution which would override the Spanish one, offering the region a "future within an EU which, with the disappearance of nation states, would dissolve its tensions with Madrid" (47). In Belgium, meanwhile, the Flemish regional government explicitly linked its campaign for increased independence to the process of EU integration with the slogan "Flanders-Europe 2000" and the President of the Government of Flanders - Luc van den Brande - suggested that the Committee of the Regions would speed up the regions' transition to independence (48). In Italy meanwhile, the leader of the pro-federalist and racist Northern League argued that he was "in the avant garde of a new politics in Europe which you could say was made up of regions under the umbrella of the EU rather than the nation-states" (49).

In addition to increased pressures for regional powers, regional groupings 'clubbed together' in interregional Associations spanning different EU states. While many were "at best... embryonic: at worst... the wishful thinking of... vested interests" (Cochrane 1993), there was little doubt that the membership and objectives of some of these Associations reflected the deeply uneven access to economic opportunities in the integrated SEM. The Single Market threatened exclusion of the less developed regions, thus fuelling insecurity (Massey 1993) and encouraging regional groupings to build closer working relationships with each other. Consequently, the failure to achieve inter-regional cohesion in the SEM encouraged interregional alliances reaching out across the EU, giving political expression to the sharpened lines of inter-regional inequality.

Unsurprisingly it was the more prosperous regions that took the lead in forging new inter-regional development axes. Catalonia, Lombardy, Baden-Wurtemberg and Rhone-Alpes - the so-called 'four motors' of the EU - carved out a niche for themselves in the new European economy forming "another association of the 'haves'" similar to the OECD or the G7 group of industrialised states at the global level (Cooke 1993; Borrás 1993) (50). Set up in September 1988, this alliance was explicitly designed to help the stronger regions take a 'pathbreaking role' in the new Europe as a new "intra-European, high-technology cartel" (Harvie 1994:65). Baden-Wurtemberg for instance saw the alliance as part of a strategy of "working with the

various stronger regions of Europe" (51), and Catalonia saw it as a means of pursuing its own interests rather than taking common cause with poorer regions of Spain (Gallagher 1990). Other 'core' regions were organised along sectoral lines in the 'regions of traditional industry' or 'motor industry cities and regions', or they sought to develop common interests with a geographically contiguous region, for instance Nord Pas de Callais, Kent and three Belgium regions which established a "Euroregion" partnership in 1991 (52).

Regional associations were only rarely aimed at linking the interests of 'core' and 'peripheral' regions and for the most part peripheral regions were forced to bargain for individual membership of 'core' associations - Wales for instance established links with the 'four motors' in 1990 (Harvie 1994:62) (53). This, and divergences between rich and poor regions, encouraged the less prosperous to more clearly define their common interests at the EU level, through the Conference of Peripheral Maritime Zones, for example, by linking with a neighbouring peripheral region as in the case of the North and South of Ireland, or by campaigning for changes in EU policies. For instance in 1992, the year of the completion of the SEM, 45 regions suffering from deindustrialisation launched a campaign for extra EU funds to modernise their industries, led by regions such as Strathclyde, Catalonia, Groningen-Drenthe, Nord Pas de Callais, North Rhine-Westphalia, North Jutland, Tuscany and Wallonia (54).

As at the 'macro' level, these developments were resisted by national states. Whether by watering-down proposals for the Committee of the Regions or by minimising the autonomous powers of regional bodies, they actively sought to maintain state power at the sub-regional level. Nonetheless, the emergence of regional interests and their articulation in the form of demands for regional autonomy or in the construction of pan-EU regional associations, had an irresistible logic that complemented and was encouraged by the existing macro-regional EU institutions. Such political pressures, expressed collectively through the Committee of the Regions from 1994, were forcing a limited adaptation of state authority. This is examined in the next sub-section.

## *Public Policies - the EU, States and regional Authorities*

States had a crucial conditioning effect on regionalism both in its 'macro' and 'micro' forms. Indeed, EU regionalism was in the first instance made possible by states, and was defined within limits set by them. By adapting to increased economic interdependence, states "strengthened their own capacity for territorial management" (Keating and Jones 1991:324). 'Macro'-regional integration gave states greater leverage over economic forces than they would otherwise have had and gave them greater influence in global arenas, while 'micro'-regional devolution in an EU framework reduced the central states' responsibilities without reducing their formal sovereign powers. Consequently, EU institutions provided a "framework for attempting the resolution of existing national difficulties rather than an opportunity for transcending them" (Taylor 1983). This continued importance of states in EU regional politics can be traced both at the 'macro'- and 'micro'-regional levels.

### *Macro-regionalism*

EU states attempted to strike stable bargains - or balances - between "the postwar politics of domestic economic stabilisation and the demands of international economic interdependence" (Kahler 1987:288). These balances were constantly being disrupted as the state ceased to hold sway over the increasingly open and internationalised 'national' economy. EU integration was aimed at managing and minimising this disruption and thereby strengthened the states' gatekeeping roles as they agreed to "constrain their autonomy in order to facilitate collective action" (Puchala 1993:88). Consequently, state representatives retained control of the key elements of EU decision making and supranational initiatives often increased rather than reduced state autonomy.

Nonetheless, state roles were significantly altered. The 'strong state' of the immediate post-war years became the 'smart state' of the 1980's. In the face of failed 'national' stabilisation policies, states opted for a form of "developmental mercantilism" at the EU level allowing them to pursue



common, globally defined goals through strengthened EU institutions (Kahler 1987:307). Significantly, these neo-mercantilist structures were constructed by state executives in relative isolation from the 'national' parliaments to which they were accountable (Kolinsky 1981). This blurring of responsibility provided governments with a series of useful political scapegoats at the EU level, at the same time providing a channel for executive decision-making in the relative absence of public scrutiny.

Yet, as a result, EU integration forced states into a process of shared policy-making, requiring them to accept the consequences of so-called "framework" decisions. Distinctions were drawn between issues which required unanimity as they extended Treaty agreements or directly affected particular national interests; issues of implementation where a policy had been established, requiring a qualified majority; and procedural proposals, requiring a simple majority. This dilution of states' veto powers in the Council of Ministers, envisaged in the Treaty of Rome and implemented under the SEA and extended under the Maastricht Treaty, transformed the way in which member states exercised sovereignty. Whole swathes of economic policy dominated by previously agreed "framework" policies - in external trade, currency control, agricultural, regional and competition policy were effectively determined at the EU level. Also with the SEA, this pressure to define common EU interests rather than particular 'national' interests was enhanced by the somewhat restricted powers of 'co-decision' which were granted to the European Parliament and the advisory roles that were accorded to the Economic and Social Committee and the Committee of the Regions (Cott and Corbett 1992).

In terms of external policies, global competitive pressures strengthened EU institutions, giving them a neo-mercantilist international legal 'personality' (55). In the first year of the SEM, 1992, "a tougher, more outward looking" Commission was appointed - most notably with respect to its key role in the GATT negotiations with North America and East Asia, and in the granting, or rather limiting, of access to EU markets to Eastern Europe. EU institutions acquired significant powers, primarily over trading and financial relations, as they carved out a political space at the supranational level which could no longer be reduced simply to the sum of

twelve state powers, thus constituting a dimension of political authority additional to that of the member states themselves.

There were in-built tensions between these tendencies and the domination of the EU by national states. As economic powers were ceded to the Commission, states strengthened political control by "institutionalising inter-governmentalism", exercising limited veto powers in the Council of Ministers (since 1966), meeting to agree common positions in 'European Political Cooperation' (since 1969), setting the pace for integration at meetings of the heads of state in the 'European Council' (since 1974) (Taylor 1983; Weiler 1990).

The Commission retained the sole right to propose legislation, as in formal terms it acted as the supra-national executive of the EU. In practical terms though, it expressed state interests as they could ask for Commission initiatives on the basis of a majority in the Council of Ministers and although Commission officials could make proposals, these were ineffectual if they failed to pass through the Council of Ministers. Indeed, from the mid 1970's Commission decision-making was increasingly dominated not just by the state-appointed Directors General but also by the Committee of Permanent (state) Representatives (COREPER) in Brussels which monitored every dimension of the Commission's work. As, from 1987, the Council of Ministers moved away from the unanimity principle established under the 'Luxembourg compromise' of 1966, the COREPER became more significant and the further diminution of state powers under the Maastricht Treaty was again likely to lead to an extension of state control in the 1996 "institutional review" process.

EU institutions were seen, paradoxically, as autonomous international actors, subordinate to member state executives. This combining of roles in the context of formally mutually exclusive state sovereignties was expressed in the German Constitutional Court ruling that the EU constituted a "*Staatenverbund*" - not a federal European state, or a confederation, nor simply a concert of states - but an "association" of states that had no competence to determine its own sphere of competence (56). The EU was essentially a new "hybrid" and its 'democratic deficit' was at

least partly due to this internal tension in its decision-making structures - a tension that was likely to intensify with the review of EU institutional structures of 1996 (Harman 1991).

These institutional shifts were patterned by global economic pressures on the EU macro-region'. EU institutions were granted limited powers as the logic of mutual deregulation in the EU 'Single Market' formed the initial framework for the new "regime of accumulation" in the EU (Rosewarne 1992). From 1979 EU member states were obliged to recognise each other's product standards following the ECJ ruling in the *Cassis de Dijon* case, threatening to shift competitive advantage to the least regulated in a rush to the bottom rung of the regulation ladder (Shapiro 1992:134). This proved a powerful incentive for states to agree the programme of managed deregulation that was proposed by the Commission in the Report - "Completing the Internal Market" - in October 1985. The Report detailed some three hundred deregulationist measures aimed at removing non-tariff barriers to trade within the EU, many of which had been erected in the 1970's. The proposals were introduced under the 1987 SEA together with procedural changes proposed by the Dooge Committee which ensured that their implementation could be agreed by majority voting in the Council of Ministers.

As the agenda of market deregulation expanded there was a rapid shift in the balance between states and markets in the EU in favour of markets - and an associated swing in favour of 'market' efficiency at the cost of equity and stability (Grahl and Teague 1990:299). The powerful, ideological logic of integration into a single 'free' market cast a shadow over any attempt at 'tampering' or intervening in the market (Ramsay 1990). The pursuit of 'market-led' integration required a *laissez-faire* approach that not only denied the need for social protection or fiscal redistribution, but also suggested that 'market failure' was a contradiction in terms: as long as states and the EU did not intervene, markets would find their equilibrium and EU efficiency relative to the other 'global regions' would be maximised. Thus the primary impact of EU legislation, in the wake of '1992', was to diminish the role of the state in the economy and although there were some attempts at formulating compensating forms of social



protection and regional policy, these generally performed an ideological, rather than a substantive role in the development of EU integration.

In most aspects of economic policy EU economic instruments were used to bolster so-called 'European champions'. In trade policy anti-dumping legislation under Article 91 of the Treaty of Rome was used to provide selective protection to industry. Regulations were overhauled in 1988 and again in 1993, strengthening "local content" regulations, and restricting the sales of so-called 'screwdriver' factories in the EU. In 1993 for instance, this led to a ban on meat exports from Eastern Europe, continued 'voluntary restraint' in Japanese car imports and anti-dumping duties on Chinese bicycles.

Meanwhile, internal EU regulations were used to restrict the role of the public sector in the economy. Under Article 92 of the Rome Treaty the Commission had the power to prohibit state aid that distorted competition and from 1989 it could require states to disclose such subsidies. In the field of public procurement from 1993 states were required to put out to tender all contracts for public services above ECU200,000. Although the European Parliament was critical of the attempt to create free markets in public utilities, by 1994 the Commission was threatening to take legal action against member states which had retained public sector monopolies in gas and electricity. In 1994 initiatives were also proposed for creating competition in the pharmaceutical industry, which remained dominated by state pricing - initiatives that in part stimulated state restrictions on health expenditure; affecting both the price (in the Italy and Germany) and the quantity of drugs used (in France and the UK).

Deregulation for the state sector was paralleled by minimal intervention in private industry. Measures under the Single Market programme which involved either mutual recognition or harmonisation of state regulations relating to licensing and market access opened up relatively unregulated EU markets in telecoms, transport and in financial services (including banking, insurance and investment services). Under competition policy the Commission had to be informed in advance of any mergers involving companies with a world turnover of over ECU5bln or an EU turnover of

ECU250m. But the Commission regularly accepted such mergers, especially if they involved rationalisation of research and development, purchasing and distribution agreements. This "permissive attitude to European merger and takeover activity" ensured that between 1989 and 1994 the Commission blocked only one merger (57). Meanwhile, large scale private industry was granted priority under the Community's technology policy. Pre-competitive research was funded to 50% of its cost and a new "Office of Technology Assessment" was established as a 'clearing house' for co-ordinating state research programmes, to stimulate collaborative research between companies and to distribute EU grants which amounted to ECU12bl between 1994 and 1998, comparing with the ECU15.5bl for the Cohesion Fund.

Where the Commission attempted to regulate private industry its proposals were weakened by the Council of Ministers or else redirected to support employers' interests. In the area of social protection the Commission's formal powers accorded to it under the Social Chapter of the Maastricht treaty were only partially implemented. The so-called 'social dimension' amounted to little more than a series of "symbolic gestures, general policy commitments, and a few hotly debated, specific EC proposals" (Lange 1992:229). Of the Social Chapter's 47 proposals, agreed in principle in 1989, 15 were implemented, many with highly significant implications for employees - such as the working time directive agreed in June 1993. But in the context of an EU-wide recession the Commission became more cautious and would not propose legislation unless it was backed by both the European Employers' Federation (UNICE) and the European Trade Union Congress. Predictably this resulted in inaction particularly on the more significant proposals such as the long delayed Vredeling directive which had been initiated in 1980 and delayed by an alliance between UNICE and multinational corporate capital (Gibb and Wise 1993).

In the face of a pan-EU recession in the early 1990's, the Commission focused on the issue of unemployment - rather than on the rights of the employed - and began to propose labour market measures that were more closely in accord with the neo-liberal, deregulationist agenda. Rationalised



as a response to the recession, the policy focus shifted onto increasing labour mobility rather than on measures to protect workers from social dumping (Benington and Taylor 1993). Significantly, in 1993, the 'Delors White Paper' proposals for tackling EU unemployment were aimed at reducing the cost of labour as well as at expanding overall EU aggregate demand. This both legitimised and catalysed a range of measures in member states aimed at reducing the cost of taking on new workers, including reductions in payroll taxes and contributions to employees for holiday or sick pay (58).

The deflationary effects of deregulation were exacerbated by the macro-economic policy objectives formalised in the Maastricht Treaty. States signed up to a set of "convergence criteria" that were nominal indicators rather than actual measures of economic well-being - such as wage rates, unemployment rates, rates of investment (59). Partly as a result, speculative flows of finance capital in the integrated EU money markets so disrupted the ERM on the eve of the passage of the Maastricht Treaty that the 'Delors plan' for monetary unification was postponed, some would argue indefinitely, although ironically, member states included the UK remained committed to the Treaty's "convergence criteria".

Nonetheless, in the context of recession, the need to reduce unemployment had increasingly become defined as a European issue as member states and the European Commission recognised that it was "no longer possible for nation states to be the motors of recovery" (60). EU integration had become associated with "job killing... diminishing popular enthusiasm for European union" and giving a fillip to extreme nationalism (61). Despite the on-going resistance of the more neo-liberal of EU governments, primarily the British Conservatives, the stability of the EU system of production was increasingly seen as dependent upon economic regulation at the EU level, including monetary regulation through the ERM, social protection through the social chapter and spatial cohesion through regional policy, which had all been weakened by the anti-regulation bias of the EU political consensus. Together these constituted a potential new EU mode of regulation, a 'regime of accumulation' that would grant EU 'macro-regional' institutions a greatly



expanded role in the reproduction of EU capital, both in relation to the internal EU economy and in relation to other 'macro-regions'. This, of course, increasingly conflicted with the on-going claim to state sovereignty by EU 'national' states.

### *Micro-regionalism*

These themes were also very much in evidence at the 'micro-regional', substate level. In the increasingly integrated EU political economy it was the substate 'micro-regions' that felt the full effects of the new regime of accumulation. Economic concentration at the EU level centralised economic power in the hands of fewer companies, and the benefits of economic development were further concentrated in the already advanced regions of the West European economy. The SEM was by no means a 'perfect' market: mobility of labour was constrained and capital flows were patterned by historical tendencies shaped by external economies and sources of demand rather than by the objective cost differentials. Fiscal redistribution to address this was next to negligible, suggesting that the process of EU integration would lead to substantial regional divergence. As has been mentioned, EU regional and 'Cohesion' funding did little to affect the basic integration process and demands for more 'interventionist' measures that would have a qualitative impact, such as measures to re-direct capital flows at the EU level rather than simply provide funds to compensate for capital concentration, were largely ignored.

In response, local and regional interest groupings, generally focused on local government institutions and became increasingly concerned to maximise their ability to re-gear their regions to the needs of capital in the Single Market. Like the macro-regional institutions, the power and influence of regional and local authorities at the micro-regional level were constrained by national states. Indeed, elected regional authorities exist, they have no legal standing independent of states and where they did not exist, as in England, the result was a "regional policy without regions" (Marks 1992:215).

States determined what was and what was not deemed to constitute a 'region' of the EU. The Commission's analyses of the 174 regional and 829 sub-regional units reflected the "institutional divisions currently in force in the member states" (CEC 1990 Annex O). Given the wide variation in regional structures across the community, this sees the Commission comparing regions like the Algarve in Portugal (population 300,000) with regions like Ile de France (population 10.3 million), providing a shaky foundation for comparative regional analysis - as the Commission itself pointed out, "the values of statistical indicators are not independent of the regional framework selected", admitting that "some uncertainty surrounds the comparability of statistical results" (CEC 1987: 11) (62). These inter-regional differences were thrown in sharp relief at the EU level - particularly where they involved differences in the degree of regional autonomy - differences that have acquired a political edge in the "Committee of the Regions" - where the wide variation in political structures, in addition to the huge regional variations in size and population focus political pressure on the more centralised EU member states.

Some states have directly contributed to the process of regionalising political power, granting substantial powers to their regions. Demands for regional self government had intensified across the industrialised 'West' in the 1960's and 1970's. Regionalist movements and substate nationalisms reacted against economic restructuring and state centralism and often consciously followed the lead of anti-colonialist and anti-imperialist movements of the non-industrialised 'South' such as in Algeria and Vietnam. Examples include the Basque, Catalan, Breton, Corsican, Flemish, Scottish, Welsh and the Irish nationalist movements - all of which gained momentum in the late 1960's and 1970's (Tagil 1984). In order to contain these regional movements and to absorb centripetal pressures in the wider European economy some states decentralised administration to regional authorities and established constitutional guarantees of regional autonomy (Vandamme 1981).

Hence regional powers were often established as a means of democratising state structures and thereby strengthening loyalty to national states. Just as



Germany's Lander were established as a means of countering centralism and rekindling democracy, so elsewhere in Europe, in Italy, Spain, Portugal and Greece during the 1970's and early 1980's, the process of setting up elected regional authorities reflected a general concern to revive democratic participation. The Spanish, Italian, Portuguese and Belgian constitutions granted substantial autonomy to island regions and 'historic nations' or linguistic communities which, like the Lander in Germany, acted as regional governments. In the UK and the Republic of Ireland state centralisation prevailed with a degree of administrative devolution, while Holland and Denmark had provincial assemblies (63). In France a strategy of 'defensive regionalisation' granted economic autonomy to elected regional authorities by 1981 within a firmly uniform, all-France political structure - Corsica for instance was not permitted 'special status' (64).

Although some of the plans for decentralising power to regional authorities were only partially implemented (particularly in Portugal and Greece) and some of the regional bodies had only limited powers (for instance in France), by the mid 1980's, elected regional bodies were established as a permanent feature of political life in four of the five largest EU states and in several of the smaller ones (Keating 1988; Leonardi *et al* 1992).

Across the EU, forms of regionalism varied as the ruling political establishment struck different compromises with substate regional interests. States responded to the process of regionalisation by attempting to maximise security and stability, but the institutions they constructed were constantly in the process of being disrupted and undermined as diminished state capability in the face of increased economic globalisation encouraged the emergence of regional movements. Permanent conflict over development priorities between the different layers of authority became a constant theme of EU politics as, within an increasingly regionalised EU framework, the central state became *a* central player rather than *the* central player maintaining the conditions for capital accumulation.



EU-wide macro-regional institutions played a crucial, supporting role in this process of institutional redefinition, building an alliance between "bureaucratic elitism" and "emotional populism" (Kolinsky 1978). While the interests of regional authorities and their state representatives coincided on many issues, as integration into the SEM accelerated, these were increasingly cross-cut and undermined by conflicts of interest in which the Commission could cast itself in the role of arbitrator (Anderson J.J. 1990). Within the constraints of an EU institutional system that was primarily propelled by treaty provisions between states and political bargaining at an intergovernmental level, the Commission established an ideological priority of regional over 'national' economic development and carved out a role for itself and for substate regional bodies, autonomous of the member states. This to some degree explained the Commission's enthusiasm for the concept of regional development and was reflected in the Commission proposal at the Maastricht negotiations that the EU should move towards setting up an EU-wide regional representation - a "Committee of the Regions" - that would act as the 'upper house' of the European Parliament.

This idea for a powerful and accountable tier of representation at the EU level was later 'watered down' by state representatives in the European Council and the Committee set up in 1994 had only a consultative role. Initially the role of the proposed committee was severely circumscribed - it would have no power to propose initiatives and would only be automatically consulted on matters that had a direct bearing on the regions (65). Nonetheless, the Commission actively worked with regional bodies to ensure that the membership of the Committee built on the existing Consultative Committee for Local and Regional Authorities and was genuinely representative - an issue which was deliberately left open in the Treaty (66). When established in 1994 the Committee already had a wider remit and Commission officials anticipated that its role would be progressively enhanced as it provided a platform for the increasingly influential elected representatives of regional governments, becoming a "potential rival" to states in the EU (67).

Although EU institutions were not breaking up member states into substate regions - there was little evidence that Brussels was the "midwife at the birth of the new 'subsidiary' states" - they did develop an EU-wide concept of regional development and in the process, directly encouraged political regionalism (68). EU institutions - and in earlier years the Council of Europe had made an "enormous and direct contribution" to the legitimation and mobilisation of substate national and regional movements, a role that was likely to be enhanced as the process of integration accelerated (Hebbert 1986). Regional bodies acquired access to policy networks at the EU level which existed independently of central governments and regionalism emerged as a political force at the sub-state level as regional elites became increasingly aware of the degree to which their interests diverged from the interests of their central state. This suggested that a unified macro-region internally fragmented into individual states and micro-regions was emerging in the post Maastricht EU political economy - a Europe of regions *and* states in which both had, often competing, claims political legitimacy.

### *Chapter Conclusions*

With global economic integration EU member states have been losing the ability to manipulate their 'national' economies. The immediate response was to collectively coordinate confrontation with US and Japanese dominated economic blocs (Ishikawe 1990). Under sustained pressure from West European industry, EU policy was redirected away from regulation and towards neo-liberal prescriptions for internal European recovery (Lambert 1991). The "articles of faith" of this new EU consensus - deregulation and integration - built on an awareness that state economic policy was no longer effective at the "national" level (Tsoukalis 1991). As state elites realised - often the hard way - that capital no longer respected national borders, a new EU 'macro' framework was developed, to monitor economic policies, minimise state aid to industry, and to plan for a European central bank which would manage EU monetary policy. It was hoped that this would open up opportunities for productive investment and stimulate a 'great leap forward' in the extraction of relative surplus



value, creating the necessary economic space for Western European capital, allowing it to compete on a global scale.

As a result, national states underwent a transformation in which they became progressively more 'internationalised'. This signalled a shift in states' roles away from dependence on the interests of national capital towards a greater autonomy over them, as states, through EU institutions, increasingly acted in the interests of EU regional capital 'in general' (Burnham 1992). There was a partial return to the pre-Keynesian, pre-welfarist '*laissez-faire*' state, reflecting a shift in the terms of class struggle, combined with a concern to retain some power over international economic forces as state elites 'clubbed together' to re-affirm their role in an increasingly interdependent and internationalised EU political economy (Camilleri 1984). This constituted a new 'regime of accumulation' for Western European capitalism as the third pole in the emerging tri-polar post-hegemonic global political economy. In the Commission's own words, the EU "represent[ed], alongside the US and Japan, one of the three pillars on which the global system of pluralist democracy and market economy is built" (69).

In contradiction with the almost missionary thirst for EU integration was the reality of widening regional inequalities within the EU. The construction of a viable West European economic bloc required massive 'structural adjustments', especially in the EU periphery. But with substantial state intervention effectively outlawed and the EU structural funds adding up to little more than 0.5% of total EU GDP, a further centralisation of wealth away from the peripheries in the Single Market was widely expected (Harrison 1990). EU institutions and member states recognised this problem - but more to neutralise opposition than to provide an effective remedy and despite increased structural funding, EU 'macro' policy was still founded on the neo-liberal expectation that the 'dynamic' benefits of the SEM would filter down to the peripheries and reverse uneven development.

Resistance to the undemocratic, state-dominated structures at the EU level and to the feared consequences of the SEM were vested in a reinvigorated



politics of regionalism (Held 1989). Substate regional groupings (various coalitions of trade unions, women's groups, cultural and community groups, local government and local business) have emerged to challenge the neo-liberal assumptions and the state-centred superstructure of EU integration. This has been expressed through an array of regional and interregional organisations and through the European Parliament and has been reflected, to a limited degree, in Commission initiatives on regional issues.

This regional assertion was not dissolving state structures or creating a new interdependent "Europe of the Regions", celebrating diversity in unity, "leav[ing] the Europe of competing nationalisms behind us" (Kearney 1988:15). The EU was not like a "a great sponge", able to soak up and express the needs of its many and varied regional units (70). On the contrary, EU integration was in the first instance led by states, particularly the most powerful ones, and was mainly harnessed to state interests. States were not superseded 'from above' or undermined 'from below', rather, they were adapted to the changing reality of global power and the shifting demands of sub-state elites and reports of its death were "distinctly premature" (71).

Nonetheless, the phase of accelerated EU integration in the late 1980's and early 1990's did not leave the state and state sovereignty untouched (Kolinsky 1981; Corbett 1992). It was precisely the continued domination of the states at EU level, together with fears of peripheralisation in the deregulated SEM, which revived regionalism in the EU, rather than a benign concern to assert regional interdependence and diversity in a 'new' Europe. The EU embodied the aspiration to regionalist unity at the 'macro' suprastate level and it positively helped to reinvigorate the politics of substate regionalism. Although the state remained the central political framework for social organisation, EU integration regionalised 'national' economies and increased the need for regional as distinct from state channels of political representation.

Partly as a result, there were significant shifts in political identity. New forms of regionalism emerged and nationalisms were set in a new context as cross-cutting supranational and sub-national regional affiliations



multiplied, encouraging the growth of less divisive forms of political affiliation. Nonetheless, these were set in an EU dominated and defined by often exclusivist definitions of 'national' state sovereignty. This is further examined in Section 3 and 4, which combine approaches developed here and in Chapter 4, to examine the impact of these contradictory tendencies on Ireland's national conflict.

## Notes

1. As Robert Schuman, the French Foreign Minister argued in May 1950, Weigall and Stirk, 1992:59.
2. The issue of German rearmament and the UK military involvement in the post war order in continental Europe was secured through the Western European Union. Meanwhile, European defense proceeded on the basis of the North Atlantic Treaty of April 1949, without the participation of France.
3. Benelux had moved to common monetary policy in 1943, customs union in 1944, liberalisation of capital markets in 1954 and free movement of people in 1956. In recognition that the Benelux could provide some pointers for wider arrangements, the Chair of the Committee of Enquiry was the Belgian Foreign Minister Paul-Henri Spaack, Meade *et al*, 1962.
4. From the Declaration of the European Commission on occasion of the achievement of the customs union, 1 July 1968.
5. Restrictions were placed on import of steel, ships, cars, chemical, electronics and footwear in addition to the existing restrictions on imports of agricultural produce, fuels and textiles.
6. Between 1959 and 1972 West German German GDP grew at an average per annum rate of 5.9%; France 5.1%; and the Netherlands 4.7%, comparing the 3.7% in the US and 9.4% in Japan. See Hall 1977:15.
7. After 1971 the growth rates of EC member states fell to 1.7% per annum in West Germany, 2.2% in France, 1.6% in the Netherlands and 1.1% in the UK, comparing with 2.3% in the US and 3.8% in Japan. See Grahl and Teague, 1990:333.
8. See European Parliament (1983) *The Recovery of the European Economy* (the "Albert-Ball" Report).
9. *Financial Times*, 4 January 1993.
10. *Financial Times*, 19 October 1992.
11. *Financial Times*, 18 March 1993.
12. In nominal terms, total overseas holdings rose from \$16.2bl in 1980 to \$1835bl in 1989. See Frieden 1991; Bank for International Settlements, sixtieth annual report, 1990, BIS:Basle; Fukao M. and Hanazaki M. (1987) Internationalisation of capital markets and the allocation of capital, *OECD Economic Studies*, 8, Spring 1987, 35-93.
13. *Financial Times*, Special Supplement on Foreign Exchange, 26 May 1993.



14. This reflected wider trends in OECD Europe, where intra-OECD trade rose from 55% to 65% between 1961 and 1973, falling dramatically to 58% and remaining at or around this level until the mid 1980's when it rose to nearly 70% in 1989, Lloyd, 1992.
15. Wyckoff A. (1993) The international expansion of productive networks, *The OECD Observer*, 180, February-March 1993, 8-11.
16. Companies were required to register mergers or takeovers involving an EU turnover of over ECU250m or a total turnover of ECU4bl. The tendencies outlined in 1991 were again highlighted in the twenty-first report of 1992, CEC, 1991a, 1992b. By 1993, in most sectors of the economy, the market share of the five largest firms had increased significantly, *European Economy* 57, 1994:20.
17. *Irish Times*, 27 February 1993.
18. *Independent*, 2 February 1993; *Financial Times*, 5 February 1993.
19. *Financial Times*, 9 March 1993.
20. *Financial Times*, 4 February 1993 and 9 March 1993.
21. *Guardian*, 11 December 1993.
22. Figures for unemployment rates are based on ILO recommendations (CEC 1987:63 and 134 table 3.2.3-2). There was concern not only that this would impede European integration, but also that the very process of integration would itself exacerbate disparities, particularly when weak regions were subjected to stronger competition in the Single Market.
23. *Financial Times*, 17 December 1992; *Centre for Local Economic Strategies*, Bulletin No. 17 "Europe of the Regions" June 1991.
24. *Financial Times*, 16 March 1993.
25. *Financial Times*, 2 August 1993.
26. Amounting to ECU24bln, see Press Reports on the Edinburgh European Council, 14 December 1993.
27. For instance, in a survey of 500 multinational executives carried out by the *Economist* in 1993, seventy percent cited currency instability as a major problem for their businesses, Holmes, 1994:4.
28. *Financial Times*, 17 March 1993
29. In 1993, on a Commission recommendation, the EU agreed to set up a "clearing house" at the EU level for refugee and asylum applications, *Guardian*, 27 May 1993 *Financial Times*, 17 March 1993. See Bunyan T. (Ed.), (1993) *Statewatching the new Europe: a handbook on the European state*, and Fekete L. et al (1994) *Inside Racist Europe*, Statewatch: London.
30. *Guardian*, 8 December 1993.
31. *Guardian*, 15 September 1993. The Party leader and German Chancellor, Helmut Kohl, saw the EU as offering "an anchor in an unstable Europe as growing nationalism and the end of the East - West conflict [made] Maastricht and eventual Union all the more vital", *Financial Times*, 4 January 1994.
32. Speech by John Major, British PM at the Edinburgh European Council, *Financial Times*, 8 September 92; *Guardian*, 15 October 1993; *Guardian*, 24 February 1994.
33. In 1993 the EU as a whole imported televisual products worth some \$3.7bl from the US while the US imported some \$288m from the EU, Schlesinger 1994:31-3.



34. *Independent*, 26 January 1993; *Financial Times*, 2 May 1993.
35. In *Die Welt*, *Corriere della Sella* and *Le Monde*; *Financial Times*, 21 July 1993, 2 August 1993.
36. *Guardian*, 28 August 1992.
37. Higgins M. (1988) Ireland in Europe 1992, in Kearney, 1988.
38. The Council of Europe also played a key role: organising conferences for a range of European regions - including frontier regions (1972), peripheral maritime regions (1975), alpine regions (1978) and island regions (1981). In most of these cases regional associations were set up which had a substantial impact on policy making by the European Commission, Council of Europe (1978) *The regional dimension in the work of the Council of Europe*; (1988) *The Allocation of Powers to the local and regional levels of government in the member states of the Council of Europe*, Strassbourg.
39. See the Chair's introduction to the Conference Report, European Parliament (1991), the Regions of the Community and Social and Economic Cohesion on the eve of the completion of the internal Market, *Report and Minutes of the Second EP/Regions of the Community Conference*, Strassbourg 27-29 November 1991, Luxembourg: EP.
40. *Agence Europe*, 10 February 1986.
41. *Sunday Telegraph*, 8 March 1992.
42. *Financial Times*, 18 June 1993 and *Financial Times West Midlands Special Survey*, 14 July 1993; ALA and LBA Press Release, 15 March 1993.
43. Kemp A. (1993) A Scottish Viewpoint, in Cooney J. and McGarry T. (Eds.) *Post-Maastricht Europe*, 72-79, Hibernian University Press: Dublin.
44. *Independent* 16 March 1992; *Telegraph* 20 March 1992; Brand, 1985.
45. *Telegraph* 30 March 1992; *Guardian* 20 March 1992; Balsom, 1985.
46. *Irish Times*, 3 November 1992.
47. *Independent*, 17 May 1993; 14 December 1993.
48. *Independent*, 30 10 93; *Financial Times*, 6 March 1993.
49. *Guardian*, 30 January 1993.
50. *Guardian*, 25 4 92 See also Acherson A. (1991) The four Motors are Driving off, *Fortnight*, 296, June 1991.
51. As the Economics Minister of Baden-Wurtemberg - H. Shauffler - put it in 1990, writing in the AER Journal "*Regions of Europe*", 2 November 1990, 126, AER:Strassbourg.
52. See Cochrane, 1993 and Thompson R. (1992) "*European Policy and Funding*" The Planner TCPSS Proceedings 27 November 1992 and the *European*, 17 January 1992
53. *Guardian*, 28 February 1992; Mitchell, 1991.
54. *European*, 17 January 1992; The Commission attempted to counter this by funding associations linking the less powerful regions including joint economic ventures between Donegal, North Jutland, South West Flanders and Galway; *Local Government News*, 13 November 1991.
55. House of Lords (1985) *The External Competence of the European Communities*, European Communities Sub Committee, 1984-5, 16th Report, July 1985, CSO: London.
56. The Court's 85 page judgement established a Bundesstag Europe monitoring Committee. See *Financial Times*, 21 March 1993 and 11



November 1993; *Independent*, 22 November 1993. and 30 October 1993; *Guardian*, 13 October 1993.

57. This was explicitly outlined in Article 85 of EU competition policy which stated that mergers and takeovers should be approved as long as their contribution to productive efficiency was greater than their damage to allocative efficiency. The blocked takeover involved *De Havilland* and *Aerospatiale-Alenia* in June 1993. In addition, between 1986 and 1993, the Commission imposed conditions on proposed mergers in 14 cases, including renunciation of supplier contracts and sales of shares, in order to minimise vertical and horizontal market concentration, *European Economy*, 57, 1994:46. Aside from this See Amin *et al*, 1992:321; Holmes, 1994.

58. *Financial Times*, 21 June 1993.

59. Inflation rates were to be no more than 1.5% and interest rates were to be no more than 2% above the average of the three countries with the lowest rates; public sector deficits were to be kept below 3% of GDP; exchange rates were to be kept within the "normal fluctuation margins" of the ERM (from 1993, 15%).

60. See *New Statesman and Society*, 6 November 1992, Volume 121 No. 4109 "And One For All" by Ken Coates MEP.

61. *Financial Times*, Special Report on "Eurosclerosis", 21 June 1993.

62. *Financial Times*, 20 December 1991.

63. The administrative changes in the UK and the Republic are discussed in Section 3, Chapter 8.

64. In the Statute of the Corsican regional government, the French state permitted the expression of sub-state identity only in so far as it is integrated into the French political system and conformed to its definition of the French 'nation'. See Holohan, 1993.

65. See reply to written question from Lord O'Hagan in the European Parliament, 24 September 1992, Official Journal No. C/247/52.

66. See reply to written question to the Commission - by J Vandemeulebroule in the European Parliament, 3 November 1992, Official Journal No. C285/31.

67. Charles Grey, Chair of the Local Government International Bureau confirmed this at the conference on *The nation-state, supranationalism and Democratic control: Economic policy and the European Union*, organised by the London European Research Centre at the University of North London, in April, 1994; *European*, 18 September 1993.

68. *Sunday Telegraph*, 8 March 1992.

69. CEC (1991) *Europe: world partner*, European documentation series, CC-60-91-781-EN-C, CEC: Brussels.

70. Neal Acherson speaking at *the future of Europe: a British German discussion*, conference papers published as Number 6 in the "Guardian Studies" series, 1991. See also *Fortnight*, 296, June 1991).

71. *Guardian*, 25 April 1992

## *Section Conclusions*

This Section has attempted to map out the historical roots of national divisions in Ireland and of the process of transnational integration in Western Europe. It has used the analytical framework developed in Chapter 3 to examine first, shifts in material interests, second changes in the logic of ideological conflict and third, adaptations, even transformations in the policies of states, of EU institutions and of sub-state authorities.

In Ireland, it was argued that during the late nineteenth and early twentieth century, there was uneven development in all three of these aspects. This was to some degree reversed in the mid twentieth century as there was increasing convergence in material interests between North and South. Ideological conflict in Northern Ireland, though, remained firmly defined by confrontation with the South. This was reflected in Northern Ireland state policies, which were increasingly aimed at 'modernising' the Northern economy at the same time as shoring-up sectarian division between 'loyal' Protestants and 'disloyal' Catholics - itself an internal expression of North-South division. The failure to reconcile these competing objectives was a major factor in the re-emergence of loyalist extremism, in the failure to satisfy the civil rights movement and in the eventual collapse of Stormont.

Direct rule from Westminster failed to overcome these tensions in state policy as attempts at 'modernising' Northern society were constantly contradicted by the process of maintaining British sovereignty in Northern Ireland. There was some attempt to offset the impact of the economic collapse that followed political collapse, with a massive injection of public funds into the Northern economy. This was perhaps the most significant result of direct rule as, to a degree, it repressed tensions between material interests and ideological conflict. Employment was created for middle and upper working class Protestants and for middle class Catholics was provided by the British state and challenges to its authority were



concentrated in increasingly impoverished working class republican and loyalist communities.

But, as highlighted in Chapter 4, the status quo was maintained at a price: in terms of on-going socio-political exclusion, particularly of the republican community; in terms of on-going militarisation of society in Britain and the Republic as well as in Northern Ireland; and in terms of an escalating Northern dependence on a British subvention, which was increasingly becoming - as the Secretary of State called it in 1993 - "an incentive for change" in British state policy. As discussed in the following Section, these various factors combined with the process of integration in the EU to stimulate renewed North-South convergence in Ireland.

The second part of this Section examined the historical roots of EU integration. It was argued that, given the weakness of European political culture, the various forerunners of the EC, and the EC itself, were built primarily out of a concern to defend member states from external threats, both political and economic. Hence the EU political system maintained and expressed member states' interests while, in doing so, it was forced to construct supra-national institutions that undermined state power.

The result was the emergence of transnational politics, between sub-state 'micro-regions' within the supra-state 'macro-region', as well as the persistence of national politics centred on sovereign states. Material interests were increasingly being defined in a transnational context as well as in a national context; ideological conflict was increasingly being fought out between states and regions, both 'micro-' and 'macro-', as well as simply between states; and public authority was increasingly being determined by non-state regional bodies, again both 'micro-' and 'macro-', as well as by states.

This limited 'unbundling' of state power, in the context of sharpened inter-regional inequalities in the new deregulated EU 'regime of accumulation', had substantial implications for North-South divisions in Ireland and more directly, for the national conflict. These are explored in the following Section.

# Section Three

## Divisions and Integration

### *Section Introduction*

This Section analyses EU-related developments in Ireland and discusses their implications for the national conflict. There is detailed analysis of shifts in the material, economic context for development, North and South (Chapter 6). This is followed by analysis of ideological conflict between political parties in Ireland, over the issue of North-South, regional integration (Chapter 7). Finally, there is a discussion of British and Irish government policies on North-South integration (Chapter 8).

In Section 2 tensions between pressures for national fragmentation and for regional convergence across state borders were highlighted. In this Section each Chapter counterposes the pressures to convergence on an all-Ireland basis with pressures to 'national' state-centred divergence and assesses the implications of these tensions for the conflict. The Section concludes with a summary bringing the three strands of analysis together.

Ireland's national conflict has centred on divisions - between the Northern and Southern economies, between unionists and nationalists and between the British and the Irish states. The emergence of a trans-state regional context in Ireland as a whole as part of the EU - for economic development; for ideological conflict; and for political authority - has the potential to cut across these divisions. The question of how far this potential has been realised is addressed in this Section.

In Chapter 5 it was argued that states have ceded elements of economic decision-making to EU bodies and in some respects national sovereignty and state authority have been redefined. Nevertheless, states have retained



direct control over many areas of economic and social life - including education, social welfare and law and order which impinge directly on the everyday lives of the general population. Moreover - as states respond differently to general EU developments, the process of EU integration could lead to 'divergence' as well as 'convergence' - which, as will be outlined, was particularly the case in Ireland where divergent state positions reinforced North-South divisions.

Integration into the Single Market highlighted the need for greater powers at substate, 'micro-regional' levels and for greater inter-regional cooperation - especially between the more peripheral regions. The growing community of interest between EU peripheries resulted in an increased desire for joint action to express common interests in the face of growing economic divergence in the SEM. As has been outlined, political, social and economic conflicts centring on the territorial definition of British sovereignty had divided the island into two separate jurisdictions. Consequently, the process of developing policies to reflect changing regional interests faces considerable obstacles, primarily relating to the competing definitions of national society in the two parts of Ireland. Despite this, the process of integration into the EU is stimulating significant reorientations - in material interests (Chapter 6), ideological conflict (Chapter 7) and in state policy, North and South (Chapter 8).

Like Section 2, this Section draws on some secondary sources. To a greater extent it relies on newspaper material, party publications and official documents, all of them primary sources. Again, detailed footnotes appear at the end of each Chapter and in the bibliography..



## Chapter 6

### Material interests: National and Transnational

Given the de-regulationist slant of the Single Market programme, and of state economic policies in the EU since the 1970's, there were fears that the anticipated "dynamic" effects of the Single Market programme would not accrue to either parts of Ireland. Across the EU there were concerns that attempts at increasing productivity were likely to diminish development opportunities in low productivity regions - such as Northern Ireland and the Irish Republic (Harrison 1990). Nonetheless, the fortunes of peripheral areas like Ireland were by no means determined by these structural tendencies in the wider EU economy and there appeared to be space for interventionist policies, implemented by local, regional and inter-regional bodies at the sub-state level as well as by EU institutions, to enhance regional 'cohesiveness' (O'Donnell 1991:130).

In Ireland this has generated a debate on how best to maximise economic opportunities for North and South in the Single Market. The Chapter investigates these debates by, first, examining North-South regional economic integration in Ireland. It outlines some of the existing tendencies for North-South economic convergence and the emergence of increasingly intense demands, primarily from business communities, North and South, for increased integration. Second, these pressures for regional convergence are qualified by outlining the on-going and in some senses, sharpened economic pressures for North-South divergence. These are defined largely in national terms as Northern Ireland remains, in the first instance, integrated into the UK national economy and the Republic remains focused on developing its 26 County national economy. The Chapter ends with a brief assessment of these contending regional - national economic pressures in Ireland.

## *Regional convergence*

In the 1990's the process of integration into the SEM was defining the two economies in Ireland, North and South as a periphery of the EU and while still divided, the two economies had become increasingly similar. Both were dependent on external sources of finance - the Republic on EU funds and, to a greater extent, Northern Ireland on the British subvention. Both were also heavily reliant on agriculture and multinational branch plants. As industrial employment became less significant in Northern Ireland, service employment - both public and private - expanded, reflecting a process of "demarketisation" - as well as a process of deindustrialisation more common elsewhere in the EU (1). The Republic continued to industrialise, with increased employment in capital-intensive multinational companies, and in the 1980's there was a rapid growth of employment in services, mirroring tendencies in the North (NESC 1989; European Parliament 1991b:28-9).

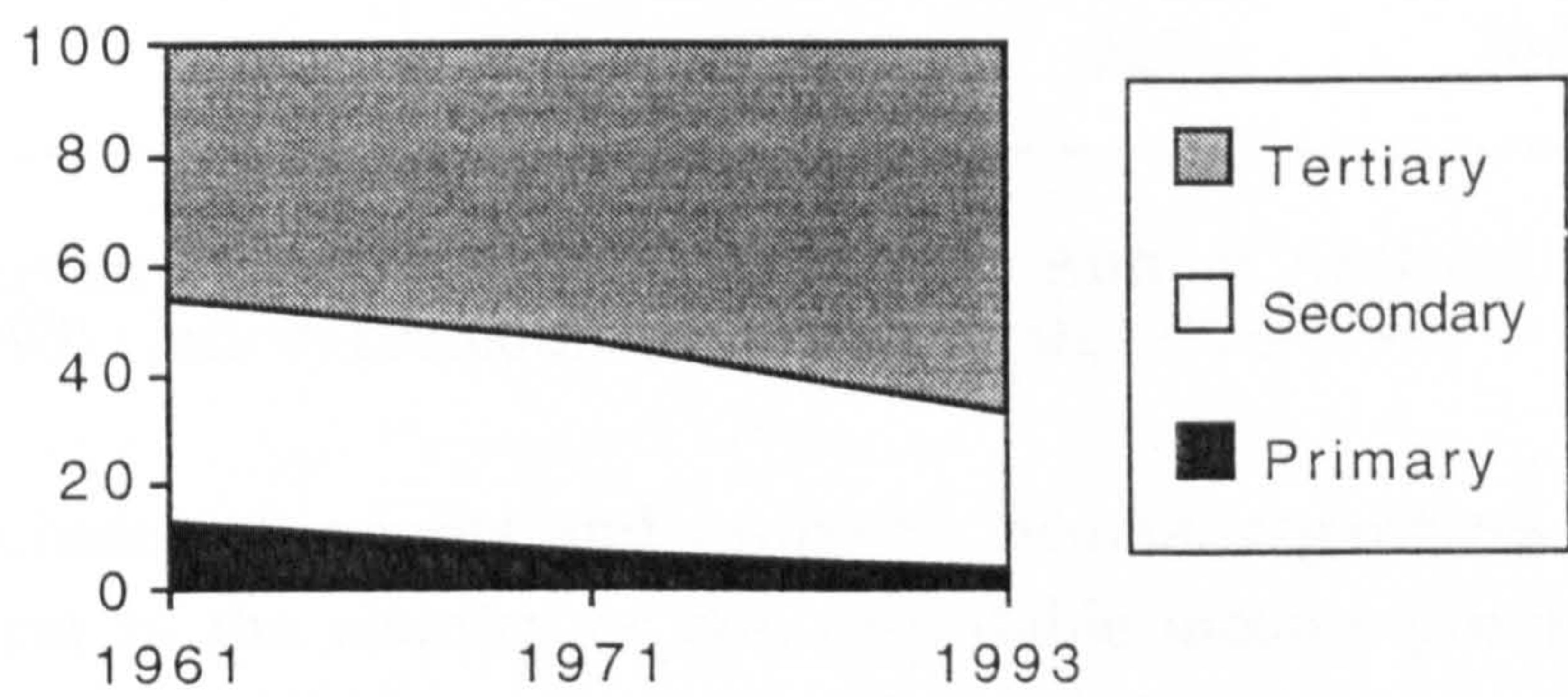
These increased similarities, North and South, led to some considerable convergence in employment structure (Table 6.1). In 1961 close to 40% of employment in the Republic was in primary industry, contrasting with 13% in Northern Ireland. By 1993 this gap had narrowed to 10%, with increased employment in secondary and tertiary sectors, although, predictably, tertiary employment remained more important in Northern Ireland. Decline in the importance of Northern Ireland's secondary industry combined with its increased importance for employment in the Republic, and the sector became as important an employer in the Republic as in the North.



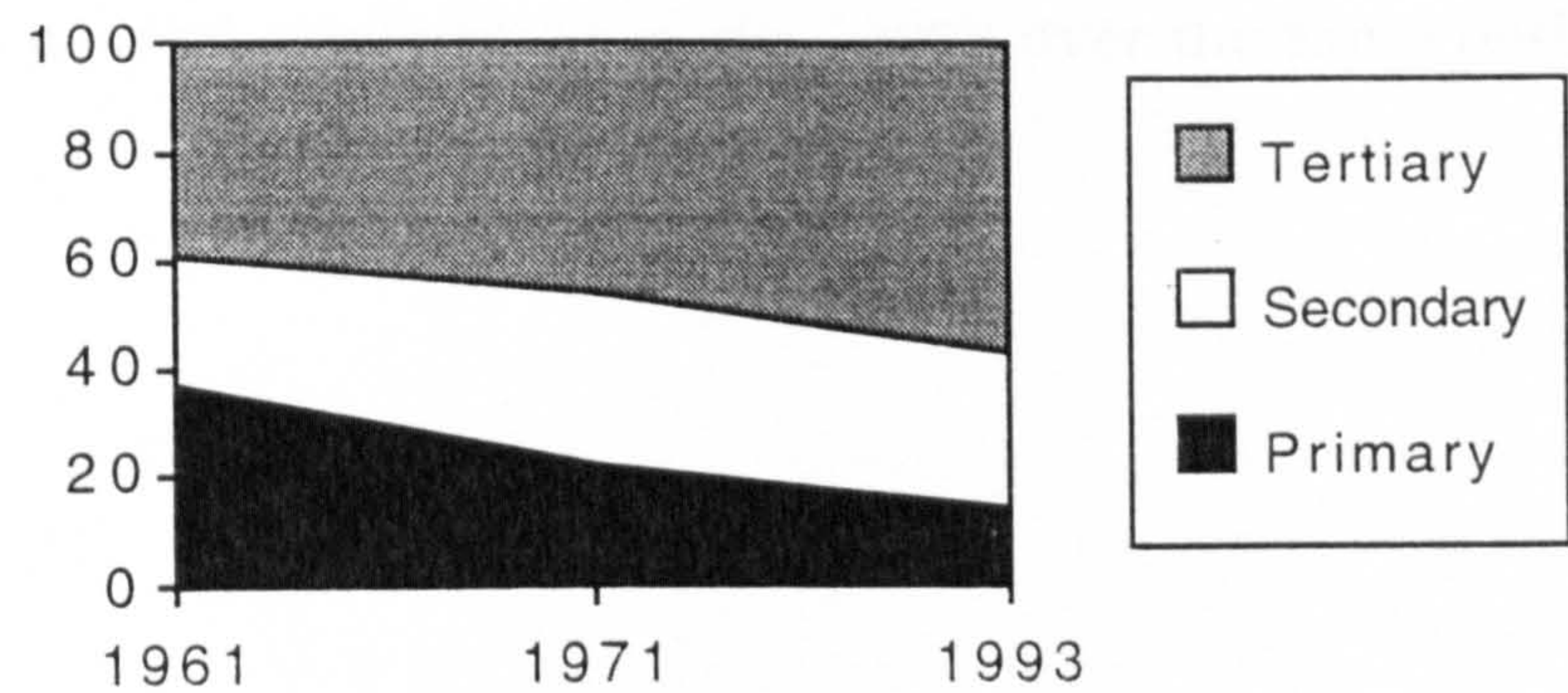
Table 6.1: Percentage of total employment in economic sectors: Ireland, North and South.

	Northern Ireland			Republic of Ireland		
	1961	1977	1993	1961	1977	1993
Primary	13.1	7.3	4.5	37.3	21.7	14
Secondary	40.4	38.5	28.3	23.7	32.4	29
Tertiary	46.5	54.2	67.2	39.0	45.9	57

Northern Ireland: Employment by sector, 1961-1993



The Republic: Employment by Sector, 1961-1993



Source: Eurostat Regio Data.



Indicators of living standards also converged (2). As outlined below (Table 6.2), the Republic began the 1970's with a *per capita* GDP roughly equal to Northern Ireland's. This fell to 92% by 1980, to recover some 17% by 1990.

Table 6.2: GDP per head: Northern Ireland and the Republic, 1970, 1980 and 1990

	1970	1980	1990
Northern Ireland (St£)	546	2646	6181
Republic (IR£)	549	2752	7423
	100%	104%	120%
Northern Ireland (ECU)	1284	4471	8715
Republic (ECU)	1306	4100	9524
	101%	92%	109%

Source: European Economy; Northern Ireland Annual Abstract of Statistics; Eurostat (1993) National Accounts ESA aggregates 1970-1991.

As GDP includes all profits and property income, regardless of whether they are earnt in the country or not, disposable income provides a more realistic measure of living standards. These figures are provided below (Table 6.3), showing a significant narrowing of income differentials, from 55% in 1975 to 48% in 1980, and then, dramatically, to 14% in 1990, despite the increasing British subvention, which, as noted in Chapter 3, rose from 23% to 30% of total expenditure in the North over the same period.

Table 6.3: Net disposable Income per head: Northern Ireland and the Republic,  
1975, 1980 and 1990 (thousands)

	1975	1980	1990	1992
Northern Ireland (St£)	2307	3461	5581	6755
Republic of Ireland (IR£)	1008	2067	4987	5690
Northern Ireland (ECU)	4106	5849	7590	9186
Republic of Ireland (ECU)	1833	3085	6561	7454
Disposable income in the Republic as a percentage of Northern Ireland	45%	52%	86%	81%

(Net personal income after taxation)

Source: UK Regional Trends, HMSO; National Income and Expenditure, DSO.

This is also reflected in comparative figures as Northern Ireland's *per capita* GDP deteriorated in comparison with EU average income levels by some 5 percentage points, while the Republic's position improved by 9 points (Table 6.4). Again, this presents an exaggerated picture of North-South convergence and contrasts with the relative figures for GNP *per capita* in the Republic which improved by some three percentage points - mirroring the tendencies highlighted in Table 6.3 (3).

Table 6.4: Relative per capita GDP: per cent of EU averages,  
North and South (EU=100, PPS)

	1973	1980	1990
<i>GDP per head</i>			
Northern Ireland	79	62	74
Republic	59	63	68
<i>GNP per head</i>			
Republic	59	62	62

Source: Matthews 1994; Eurostat.

Converging living standards are also reflected in rates of unemployment, which doubled in both economies in the late 1970's and early 1980's (Table 6.5).

Table 6.5: Percentage of the workforce unemployed in Northern Ireland and the Republic

	1970	1980	1990	1994
Northern Ireland	7.0	13.7	13.4	14.0
Republic of Ireland	6.3	8.0	14.5	18.7

Source: Eurostat.

Partly as a result of rising unemployment, industrial productivity rose in both parts of Ireland in the mid 1980's and early 1990's - by 24% in Northern Ireland and by 65% in the Republic between 1985 and 1993 (European Economy 1994). Wage rates in the Republic fell by some 15% relative to other EU states and state subsidies for industry in both economies were among the highest in the EU. Yet still both economies faced high levels of long term 'structural' unemployment, officially at 9% in both economies in 1991, out of a total 14.5% unemployed in the Republic and 13.4% in Northern Ireland (4).

EU membership and, in particular, the implementation of EU funding regimes was a major factor in this convergence. Farmers, North and South for instance, tried to predict shifts in the agricultural support regimes, leading to convergence in types of farming activity (5). This was not mirrored in Britain, partly because of the greater dependence on agricultural support in the smaller, relatively unproductive farms in both parts of Ireland. EU regional policy had a similar effect as North and South were defined as priority regions for the Regional Development Fund - the Republic defined as a region that was significantly "lagging behind" the rest of the EU while Northern Ireland, despite having a *per capita* GDP above



the threshold for support as an "Objective One" region, was granted the same funding status for "special reasons" (6).

Despite increased EU regional funding, integration into the SEM was expected to threaten the survival of indigenously-owned industry, North and South. In Northern Ireland it was estimated that 49% of the region's private sector workforce was "moderately vulnerable" to the removal of non-tariff barriers and to the expected increase in competition (NIEC 1992:37). There were similar concerns in the Republic, leading the government to suggest that the task of creating a viable indigenous sector was "the main common challenge facing industrial development, North and South". Problems shared with the North included high transport, communications and energy costs; weak marketing; low skill development, particularly in management skills; low levels of research and development; a lack of local sources of capital; and a sense of sociopolitical peripherality, particularly strong in the North (DSO 1992b: 41).

These heightened similarities increased the awareness of a common North-South interest in all-Ireland, regional development. As elsewhere in the EU, there was an increase in cross-border North-South mergers and takeovers in anticipation of the SEM. In the banking sector, the Allied Irish Bank bought the Trustees Savings Bank in 1991, giving it a 25% share of Northern banking while the Ulster bank increased its operations in the South and by 1993 accounted for 10% of the market in the Republic (7). A similar process of capital concentration was underway in other sectors - a reorientation of ownership that was paralleled by changes in the marketing and pricing strategies of multinational companies, including *Mars*, *Unilever*, *Marks and Spenser* and *Coca Cola* - which began to treat Ireland as a single market (8).

There was increasing awareness that, in the context of the SEM, the development of the two economies would hinge on the ability to foster an indigenous industrial sector able to draw on combined strengths of the two economies. Prominent business leaders and government agencies, North and South began arguing that if it was to do this, Irish business would have

to formulate a new, all-Ireland framework for economic development. These pressures for North-South economic integration are examined in what follows, first from a Northern perspective.

### *The North*

As elsewhere in the EU the Northern Ireland economy was facing new and intensified competition in the SEM during the 1990's. This was combined with extensive industrial collapse and fear of public sector cutbacks. The Confederation of British Industry in Northern Ireland (CBINI) estimated that an annual 5% growth in GDP over the next decade would be needed for the region to reach the EU's average *per capita* wealth, whereas the highest growth achieved in the previous ten years had been only 2.5% (9). The Irish Congress of Trade Unions (ICTU) pointed out that in 1993 the number of people employed in manufacturing was less than the number registered as unemployed.

Meanwhile, the public sector - the "engine for job creation" in the North - was running out of steam (Barooah 1993) and was threatening to go into reverse as the Conservative government tried to reduce the UK Public Deficit (EU funding offered no substitute, as at 2.3% of public expenditure in the North, it was dwarfed by the British subvention). In 1989 the EU Commission suggested that the North was "not entirely integrated into either the legal or the economic system of the UK" and concluded that "it is therefore not really relevant to see it in a UK context" (10). As the Coopers and Lybrand survey of Northern business stated in 1990, the North required an "approach to the development of the Province that is different to those adopted in other regions of the UK" (11).

The urgent need for a viable industrial strategy for the Northern economy in the Single Market was forcing Northern business to reassess and reorient their economic interests, perhaps forcing the "radical rethink of public policy" that some have argued is required (Hart and Harrison 1992). Traditionally interests had been defined largely in terms of their UK setting and sometimes in the broader EU and international context, but rarely



were they orientated to the South. A survey in 1992 for instance, found that 44% of Northern firms had never considered selling into the South (12).

It was not until 1990 that the annual assessments of the Northern economy produced by the Northern Ireland Economic Council included an assessment of economic conditions in the Republic - previously the Southern economy was considered so extraneous as not to deserve a specific mention in these lengthy yearly reports (NIEC 1990:6). This perhaps symbolic move by a semi-autonomous 'quango' stemmed from increased awareness of the significance of the South for Northern interests - reflecting what one prominent participant described as "nothing short of a seachange in economic relationships within the island" (Quigley 1992:4).

The April 1990 visit of the Irish Taoiseach Charles Haughey to a Northern Ireland Institute of Directors Conference was the first public indication of this seachange in North-South relations (13). His message was that business, North and South had to see the island as a single operating base and had to work together if it was to survive in the SEM and was backed-up by a survey of cross-border cooperation calling for cooperation on a sector-by-sector basis. The message was well received and the Taoiseach was given no less than three standing ovations from a 1000-strong audience of Northern business people (14).

Since 1990 this North-South orientation has gained widespread acceptance within the Northern business community and was most clearly expressed by Dr. George Quigley, Chairman of the Ulster Bank and of the Northern Ireland Institute of Directors when, in 1992 he proposed that "Ireland, North and South, should become one integrated 'island economy' in the context of the Single European Market" (15). In the first instance it was argued that this would allow greater North-South trade, of particular benefit to the North. As highlighted by the President of the Confederation of Irish Industry (CII) in the same year, Southern business sold one third as much *per capita* in North as it did in the South, suggesting a possible tripling of sales for Southern business. Meanwhile Northern Ireland industry sold one sixth as much *per capita* in the South as it did in the North, suggesting a possible six-fold increase in sales (16). As a result Liam



Connellan, the CII Director-General estimated, perhaps over-optimistically, that this could lead to a net increase in manufacturing sales of £3 billion, creating an additional 75,000 jobs in Ireland as a whole (NICE 1993:134).

Beyond this potential increase in trade, Dr Quigley argued that there would be considerable advantages in joint working. The areas of possible cooperation, outlined by him as early as 1989, included joint ventures, joint marketing, joint trade missions and exhibitions, joint research on sectoral and trade issues, improved communication links, joint support facilities for education and training, shared infrastructure, joint environmental action and joint public sector acquisitions and sales (17). He suggested in February 1992 that the unified economy should be supported by a special EU fund for projects agreed jointly by the EU Commission and the two governments - to provide a direct route to Brussels should powers be devolved to a Northern Ireland Assembly and to facilitate the development of a Belfast-Dublin "economic corridor" which had been "artificially constrained" in the past (18). In 1993 he argued this had the potential to release new productive energies in Ireland, suggesting that "it would be ludicrous to be part of a single European market post-1992 and fail to transform the island of Ireland into a single market", not simply to raise cross border trade, but to develop all-island economic "synergies" (19)

Various other spokespersons for Northern industry supported proposals for North-South integration. Nigel Smyth, Director of the CBINI argued in 1992 that the North-South division of Ireland damaged industry on both sides of the border and advocated all-island integration "purely and simply because it makes sound economic sense" (20). Six months later in a Report outlining its preferences for the 1994-1999 EU funding round the CBI advocated a joint North-South "inter-regional partnership" as a "key element" in the funding package, arguing that provision for training, marketing and research, transport, tourism, environmental improvements should be devised within an all-island framework. It supported Quigley's proposal for a North-South "economic corridor" on the eastern seaboard, arguing that such initiatives would allow business to exploit "the synergies brought about by the formation of a critical mass and the development of

clustering activities", as well as "breaking down the psychological barriers which result from the border" (21).

The CBI Report had been drawn up "in conjunction with" the CII and subsequently the two business organisations embarked on a three year initiative funded by the International Fund for Ireland to investigate the possible benefits of North-South cooperation. A Joint Council of forty representatives was established and steering groups set up to guide the project which involved 450 companies from North and South. Meanwhile, joint lobbying focused on the need for improved transport and energy links and for co-ordinated public procurement while practical cooperation led to a significant amount of all-Ireland import substitution in aerospace, textiles, pharmaceutical products and scientific instruments and led to joint marketing strategies to win EU contracts in civil engineering and construction (22). In the longer term the intention was to assist Irish companies to compete within the island market and gain the resources, skills and confidence to sell in wider EU markets - initiatives which were seen in many quarters as offering a life-line for Northern industry - as the project's coordinator - William Poole argued, "senior people North and South consider the initiative to be of high significance to the future prosperity of Irish industry" (23).

The CBI's approach was clarified in 1993 when Nigel Smyth Director of CBINI outlined seven strategic priorities for Northern Ireland if it was to aspire to "world class" status, rather than remaining "at the bottom of the UK league". The Director emphasised that strengthened linkages with the UK would not deliver the required up-grading of standards, while the development and implementation of strategic, mutually beneficial "win-win" linkages in "synergy" with the Republic offered an alternative, potentially highly rewarding development path, given that "we cannot afford to continue on the track we are on". These linkages could yield increased investment, re-skilling and vocational training, improvements in innovation through technological partnerships, infrastructural development and marketing, particularly of Ireland's environmental qualities (24).



The Northern Ireland Chambers of Commerce adopted a similar stance. The President, Noel Stewart, stated in 1992 that his organisation was "at the forefront of initiatives to develop cross border links" - primarily with their counterparts in the Republic (25). The Belfast and Dublin Chambers of Commerce took joint initiatives to improve North-South cooperation including trade fairs and business conventions and drew up joint proposals for North-South projects. In 1993 they presented a joint paper to the Commission calling for trade-boosting projects and outlined plans for setting up a "Chamberlink" to encourage North-South investments and were joined by the Northern agency for small firms - the Local Economic Development Unit (LEDU) - which organised several conferences for cross border business in 1992, arguing that economic "survival lay first and foremost in togetherness" (26).

These various initiatives reflected a widespread, and relatively new consensus on the need for all-Ireland economic integration. In 1993 a survey found that 97% Northern Ireland Chief Executives viewed North-South integration as either necessary (61%) or useful (36%), quoting one as saying "there is no reason why Ireland should not operate as a single political and economic entity" (27). This reorientation was by no means restricted to the business community. The ICTU, for instance, fearing the impact of the neo-liberal SEM, had argued for such an economic strategy as early as 1988 and in 1994, speaking at the British TUC, the ICTU President - Phillip Flynn - advocated government action to improve North-South links (28). The Northern Ireland Council for Voluntary Associations, the North's officially recognised voluntary sector umbrella body, also supported such action and in 1992 its Director, Quintin Oliver, stressed the widespread, cross-community acceptance of the need to develop a single market in Ireland as a whole before being able to compete effectively in the SEM (29).

There was a growing perception that the North, as the smaller of the two economies (population only 1.5, as compared to 3 million), and without its own direct government representation in Brussels, was fast becoming "a periphery of a periphery" (Anderson and Shuttleworth 1993). Growing demands for government action to rectify this appeared to fall on deaf ears.



As a result, business organisations including the Chambers of Commerce were active in encouraging local authorities to take a more active role in the face of what Noel Stewart described as a "remote, ponderous and largely unresponsive" central government (30). Such organisations joined with local government in financing the Northern Ireland Centre in Europe, with 18 of Northern Ireland's 26 Councils agreeing to finance the Centre, which had staff in Belfast and Brussels and to some extent compensated for having to work through Whitehall, although it had no official status and was restricted to political lobbying (31).

Overall, both sides of industry and especially the trade unions feared that the deregulated, neo-liberal SEM could have an extremely damaging impact, and they argued that integration with the Southern economy offered a much needed lifeline for the Northern economy. The demand for government initiatives to establish a North-South political framework to deliver economic integration had deep political implications for Ireland's national conflict. Partly as a consequence, as one observer noted in 1981, the conflict tended to "asphyxiate" North-South initiatives (Hainsworth 1981:14). No doubt reflecting this, business enthusiasts for integration were at pains to be 'non-political'. But despite this, there were indications, particularly post-1992, that the shifts in economic orientation were forcing limited adaptations in the ideological party-political positions and in state policies (these are discussed in Chapters 7 and 8).

### *The South*

As in Northern Ireland, EU membership posed a profound challenge to domestically owned firms dependent on UK or home markets. As was outlined in Chapter 4, concerns at the lack of indigenous industrial development in the Republic had been raised for some years. Despite the 1970's disruption in international economic development, the flow of overseas investment into the Republic was maintained until the early 1980's but in the meantime, as was pointed out, indigenous industry went into rapid decline, only to recover, very marginally, in the late 1980's. In the EC from 1973, indigenous producers faced intense competition for domestic markets, stimulating much intra-industry realignment, mostly

against the EU tendency for economic concentration, and more towards greater fragmentation. This perhaps reflected the relative weakness of home-owned industry in the Republic and presaged a more thorough-going inter-industry restructuring in the context of recession in the first half of the 1980's.

Given that the entire period of EU membership had seen an "almost continuous output and employment decline" in Irish-owned industry, further deregulation in the SEM was viewed with some trepidation (NESC 1989). Indigenous industry remained concentrated in low profit, largely agri-industrial sectors with relatively low technological input, dependent upon Southern Irish markets for over sixty percent of production. In contrast, multinational and transnational companies maintained high profit rates (usually at least triple the rates in Irish-owned industry), and were oriented to external markets for 70% of their sales and relied on non-Irish producers for 70% of their inputs (O'Hearn 1993:179-182).

In some ways, lacking a stable source of external support equivalent to the North's subvention from its "kind auntie" - the British Treasury - there was less room for manoeuvre in the Southern economy than in Northern Ireland (Clulow and Teague 1993:102). EU funding, at 2.7% of the Republic's GDP in 1993, though significant, was not sufficient to meet the Republic's needs or to compensate for the deflationary capital drain caused by Irish membership of the Exchange Rate Mechanism. In the early 1980's unemployment had doubled, to 18%, comparable or even higher than in Northern Ireland. Wage levels were substantially lower than in most other EU countries and had become lower in the 1980's - real unit labour costs had fallen by 15% relative to other member states from 1984 to 1993 - without a commensurate rise in employment with indigenously-owned companies (European Economy 1994).

The rejection of dependent development within a 26 County framework in the face of industrial weakness, was translated into demands for 'positive' integration at the EU level and at the all-Ireland level. A concern for systems of regional or 'national' innovation, for integrated institutional structures as well as for integrated economic sectors - defining economic



development as irreconcilably interrelated with political development - came to dominate thinking on approaches to stimulating indigenous development (NESC 1989; Mjoset 1993). Some argued that the South had been naive to believe that the EU would deliver prosperity. As one newspaper pointed out in 1993, "by joining the rich man's club we hoped to become rich" in an EU that was "stengthening the community's economic centre relative to the periphery" - what one Southern MEP described as an "Alice in wonderland" approach (32).

There was ongoing dissatisfaction with what was seen as a policy of attracting overseas capital while indigenous industry suffered (33). In the immediate post-Maastricht period rising unemployment, the forced devaluation of the Punt, the increased incidence of 'social dumping' by multinational companies, the reduced supply of foreign investment, the failure to meet the so-called Maastricht "convergence criteria" and the impending reduction in EU structural funding, all forced the issue of indigenous development - as an island economy - higher up the political agenda. Linkages with other peripheral regions or states - such as Spain and Portugal and Greece - to pressurise for firmer 'cohesion' policies in the EU became more significant.

As in the North, all-island integration was, to a great extent, seen as a means of reversing economic stagnation (34). Like the North, indigenous industry in the Republic was primarily linked to the domestic and to British markets. Southern exports to Britain were dominated by the products of the largely home-owned agri-industry (channelled through Belfast, which in 1988 took 58% of the Republic's cargo traffic) (DSO 1992b). In 1979 Irish manufacturers exported only 29.5% of their output - mostly to the UK, in 1982 they accounted for 75% of exports to the UK, while multinationals exported 74.5% of their output, mostly to non-UK markets (NESC 1983:295). Consequently, attempts at stimulating indigenous industry in the South necessarily had to draw on the North's as well as the South's economic capabilities, building upon the common orientations of the two economies, to British markets as well as to each other. Indeed, if economic development was to be re-defined as 'indigenous', 'regional' development, it necessarily had to become an all-island, 32 County



concern, rather than simply a matter for the 26 County Republic (NESC 1989).

The need to improve linkages between Irish industry and local suppliers was defined as an all-Ireland issue in 1992 for instance, with a series of subcontractors' exhibitions organised by the Irish Trade Board (ITB) and the IDB (35). Similarly, the concerns of agri-industry were defined in a North-South context where they involved quality control, joint price support mechanisms, joint marketing, production quotas, disease control and rural development in border areas, and by 1993 the ITB was participating in joint international trade fairs with the IDB and was joining the IDB in calling for EU funds to establish an "island network of communication and transport" (36).

Yet in many ways, there was less Southern enthusiasm for North-South integration, partly because it had direct access to EU structures and had been able to negotiate a major - although one-off - contribution from EU structural funds for the period from 1994 to 1999 (in 1992-3). This may have reflected a "businessman's dole mentality" in the Republic, given the yearly IR£1.5bl in tax breaks and high level of industrial grants (37). More likely, given that such grants were at a higher level in Northern Ireland, the larger Southern business sector saw itself as in open competition with the North and in any case set its sights on EU markets rather than on the smaller all-Ireland market. These pressures for inter-capitalist North-South competition rather than collaboration are examined below in the subsection.

Overall, in the early 1990's, the need for economic strategies aimed at generating indigenous development in Ireland, North and South, was increasingly being recognised - as the *Irish Times* argued in an editorial in 1992, the "economic case for closer cooperation is compelling" (DSO 1992b) (38). Fear for Ireland's economic future in the deregulated Single Market was leading to a reassessment of economic interests and stimulating demands for North-South inter-regional integration to jointly to build on Ireland's economic strengths (Anderson and Shuttleworth 1993). As the Northern nationalist orientated *Irish News* commented in 1993, "during the

last 12 months it has become increasingly clear that the concerns of Irish business North and South are virtually identical", significantly, the more unionist orientated *Belfast Telegraph* agreed, arguing that the process of EU integration was bringing North and South closer together as "the island is too small for the two states to go it alone" (39).

Business interests North and South were realising that without economic integration on the "island of Ireland", both parts of the economy would fail to remain competitive in the SEM. This regionalisation of economic interests in Ireland was directly related to the process of EU integration and was leading to the formation - or rather reformation - of an all Ireland middle class. In the 1990's business classes began demanding political action to develop the 'island economy', demands that had clear implications for the ideological positions of political parties and for state policies. These are discussed in Chapters 7 and 8 below, but first the ongoing, and in some cases, increased, divisions in North-South material interests are highlighted.

### *National divergence*

'Regional' convergence in economic orientations has to be set against ongoing and in some cases, sharpened 'national' divergence between North and South. This was largely caused by the upsurge in national conflict, centred on the North and to a lesser extent, by competition between the two parts of Ireland for sources of inward investment. In general terms, from both North and South being closely linked to Britain as the "origin and destination of most trade, capital and labour", the South had increasingly defined itself as a region of the EU while the North had become more, not less dependent on the UK economy, primarily in terms of its dependence on the British Treasury (O'Cleireacain 1983:109).

The two economies and societies were poorly integrated - in a sense, people living in the two parts of Ireland shared "a small island with their backs firmly turned on each other" (40). The inadequacy of road, rail and telephone links reflected political and social divisions - not just between



unionists and nationalists, but also between a war-torn North and a relatively peaceful South (41). Reflecting the development priorities of the British government and the on-going dependence of the North on the London-based financial markets, the Northern Ireland Industrial Development Board (IDB) remained primarily orientated to finding market 'niches' in the British economy and to attracting UK companies. As the Director of the CBI argued in 1992 - UK companies moved to the region to take advantage of fewer skill shortages, lower wage costs and low staff turnover, giving them a "a critical competitive advantage" in British markets (42).

Meanwhile, common dependence on multinational capital, North and South did not in itself imply common interests. On the contrary, the two regions competed for international capital - through the IDA in the South and the IDB in the North and multinational producers rarely had local linkages, let alone North-South orientations despite some reorientation in marketing and pricing strategies (see above).

This competition between the development agencies North and South to attract increasingly scarce and footloose international capital was seen as mutually damaging, not least as it diverted public finances - and policy initiatives - away from the more sustainable indigenous sector. The direct public funding of "industrialisation by invitation", stood at St.£103m in the North for the period from 1986-1992, while in the South IR£429m was paid to overseas firms from 1981-1990. Many of these companies then benefited from tax breaks, training and infrastructure grants, which in the South added up to an estimated IR£600 in 1991 (DSO 1992a, Hamilton 1993). As early as 1983 the Permanent Secretary to the Northern Ireland Department of Economic Development highlighted this competition as a barrier to North-South cooperation. By 1993 competition had intensified as sources of international capital began to dry-up in the post-1989 context of deregulation in the former Communist countries of East and Central Europe. In that year for instance, the Northern IDB deliberately out-bid the Southern IDA to attract a Malaysian textile plant, Hualon, and in attracting a US Battery plant, Valance, to the North (44).



For multinationals as well as for local firms there were many barriers to North-South linkages, including poor transport links, uncertainty in currency exchange rates and a lack of knowledge of suppliers and markets across the border that encouraged them to assign the North, with Britain, in a separate division from the South. Northern companies with 'parents' in Britain tended to price their goods and services at rates reflecting British rather than local circumstances, although, as mentioned earlier, there were some indications that this was changing in the early 1990's (45). At the same time, reflecting the increasing concentration of economic power within the EU and increased investment opportunities outside the EU, there was a marked increase in 'social dumping'. Perhaps the most disruptive disinvestment in the Republic was the departure of the electronics firm, *Digital*, which had employed 1500 technicians in Galway, stimulating a widespread questioning of the Republic's dependency on externally determined economic decisions (46).

In addition, as well as being dependent on inward investment, the North, and to a lesser degree, the South, are dependent on continued fiscal redistribution. While there was a degree of shared dependence on EU funding regimes, leading to joint working on EU funding issues, the North was considerably more dependent on sources of funds from the British Treasury, which dwarfed EU expenditure. In 1990 EU funding accounted for 10.8% of public expenditure in the Republic while in the North, as noted earlier, it accounted for 2.3% (47). While clearly insufficient, the funds provided a useful boost to investment in the Republic, raising gross fixed capital formation by 6.3% to 17.9% of GDP in 1989, comparing with an EU average of 20.6% (European Economy 1992; CEC 1990:73). The North, meanwhile, again as noted earlier, was dependent on the UK Treasury subvention for a third of its GDP.

In 1993 the issue of EU funding could become an election issue in the South as politicians strove to maximise both the size of the structural funds 'cake' and the Republic's slice of it. In the North, by contrast, the UK Treasury was the focus of concern. As the Secretary of State stated, the EU allocation of St£1040m to Northern Ireland for the period 1994-1999 "reflect[ed] the very special needs of the region" and complemented the

government's subvention to the North which was expected to amount to at least St£18,000m over the same period (48)

Beyond these structural and fiscal dimensions, there remained deep divisions between business people, North and South, founded on mutual fears and suspicions, a legacy of many decades of national conflict, that LEDU officials defined as the main barrier to integration (49). Economic development North and South, reflected the political conflict as the economic policies of the Republic and the UK led to virtually separate economic development in an already divided island. While the economic base had become more similar, this was the result not of convergence, but of divergence, as the North 'demarketised' while the South industrialised.

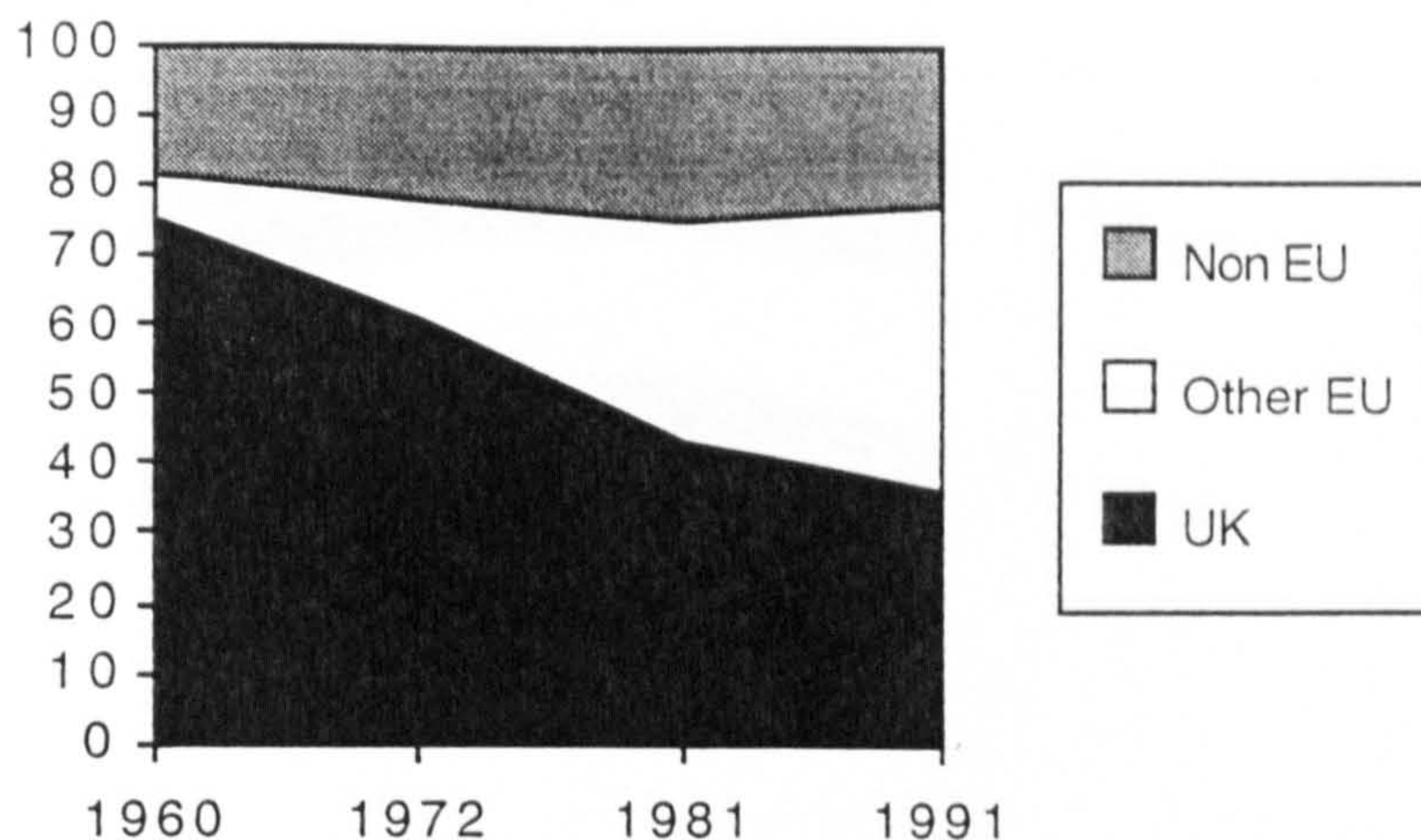
*The South*

EU integration allowed the Republic to weaken its dependence on the UK economy, reflecting the effects of increased overseas investment in the Republic and leading to substantial macroeconomic divergence between the two Irish economies (Blackwell and O'Malley 1983) (50). In contrast with domestic-owned industry, which remained highly dependent on Irish domestic and UK markets, multinational capital was orientated to wider EU markets and from the 1960's the Republic's export markets were increasingly non-British (Table 6.6).

Table 6.6: Destination of Republic of Ireland Exports:  
percentage of total exports

	1960	1972	1981	1991
UK	75	61	43	36
Other EU	6	17	32	41
Non EU	19	22	25	23





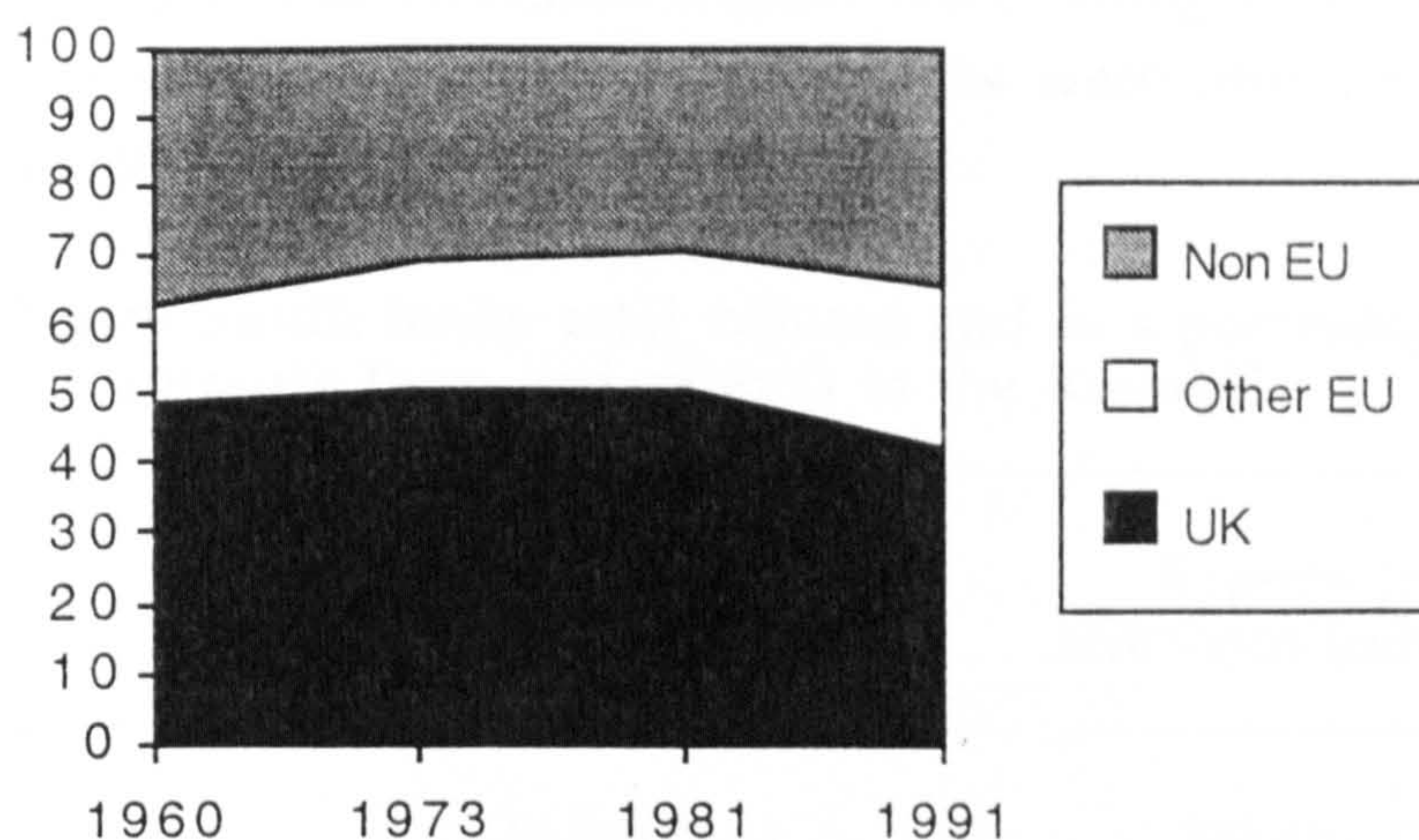
*Source:* McAleese 1984: 161 and DSO Trade Statistics 1992.

This tendency was not so clear for imports which remained closely linked to British sources, particularly in energy, perhaps reflecting extensive transfer pricing by multinational corporations as well as on-going penetration of the Republic's domestic market by British manufacturers (Table 6.7)

**Table 6.7: Source of Republic of Ireland Imports:  
percentage of total Imports**

	1960	1973	1981	1991
UK	49	51	51	42
Other EU	14	18	20	24
Non EU	37	31	29	34





Source: McAleese 1984: 161 and DSO Trade Statistics 1992.

Although this process of economic reorientation had begun in the 1960's, it accelerated from 1973 so that in 1982, for the first time, non-UK, EU markets were more important than UK markets for exporters in the Republic (Harrison 1990). This drift away from UK export markets had clear implications for the Republic's economic relationship with the North, which remained tied to UK markets, partly due to the partial withdrawal of multinational capital in the 1970's and 1980's. As a result, exports to Northern Ireland became less important in the Republic: as a percentage of GDP, cross border exports fell from 3.7% in 1960 to 2.9% in 1972 and in the context of increased exports overall, had only partially recovered, to 3.3% in 1991 (Table 6.8).

Table 6.8: Republic of Ireland Exports as a percentage of GDP, 1960, 1972 and 1991

%	1960	1972	1991
Overall Exports	30.6	33.2	59.7
Exports to Northern Ireland	3.7	2.2	3.3

Source: European Economy; *Belfast Telegraph*, 8 June 1993.



By the 1980's, exports to Northern Ireland were falling as a percentage of overall exports - by approximately a third (as were imports, to a lesser extent) (Table 6.9).

Table 6.9: North-South trade: total volume and as a percentage of total imports from and exports to the Republic.

<i>IR£</i>	Imports from Northern Ireland	Exports to Northern Ireland
1980	223.5m (4.1)	300.4m (7.4)
1990	500.1m (3.0)	816.5m (5.7)
1992	486.2 (3.6)	825.1 (4.9)

Source: DSO Trade Statistics 1992, 1994.

Macro-economic policy in the Republic expressed these shifting economic orientations. Given the small size of its economy and its extreme exposure to international trade it was generally recognised that the Republic needed to align its currency with a larger partner. Until the 1970's dependence on UK markets dictated that the Sterling link be retained, but with EU membership and strengthened trading relations with non-UK EU economies, it was preferable to build closer financial links with EU money markets. From the early 1970's the Republic began to use the Euro currency market to finance balance of payments deficits and as a source of public borrowing, rather than rely on the City of London, and by 1979 only 2% of the Republic's foreign debt was denominated in Sterling (Bradley and Whelan 1993).

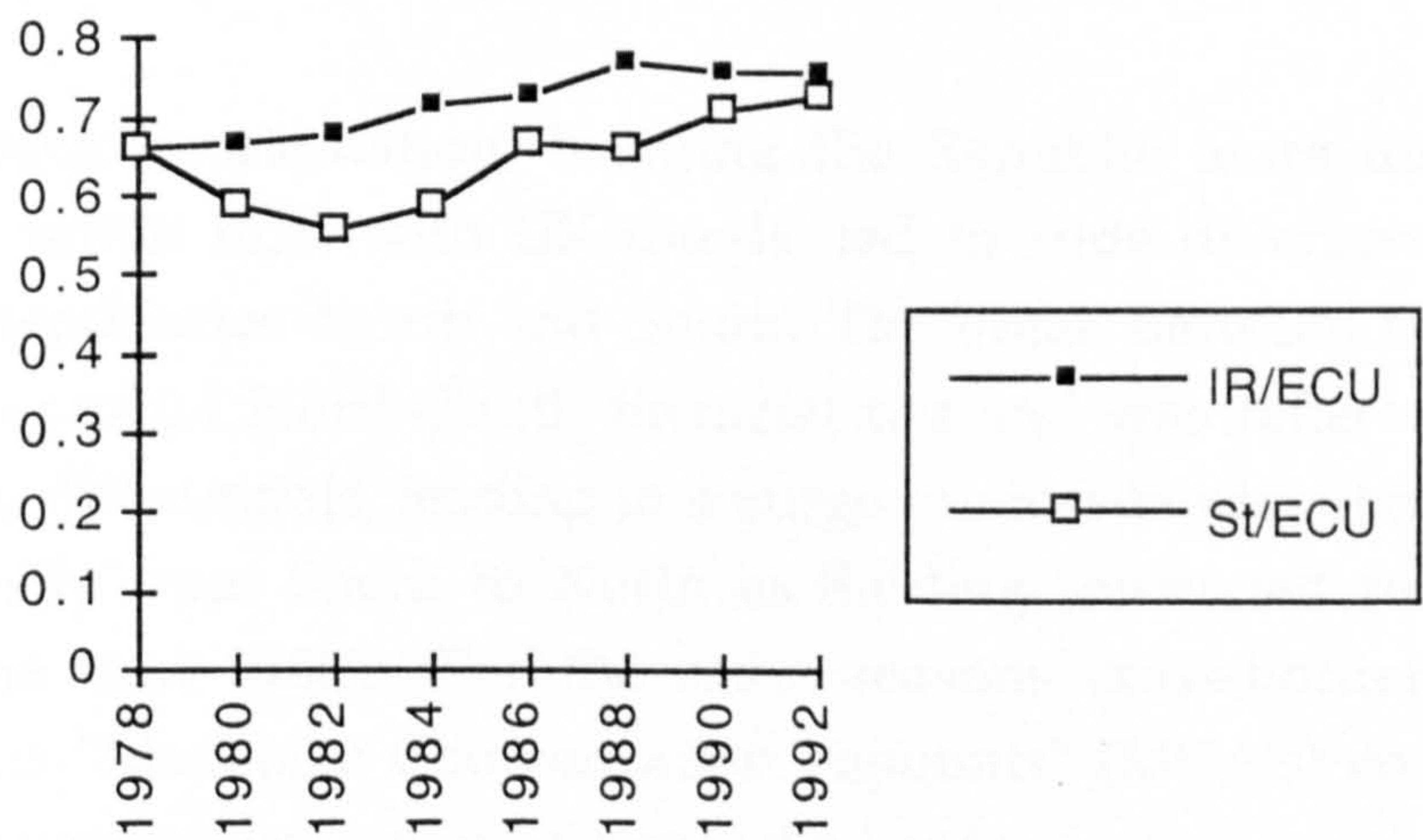
This was followed by the Republic's decision to delink the Punt from Sterling and join the Exchange Rate Mechanism (ERM) in 1979. Pegging the Punt to Sterling had forced the Republic to shadow UK growth rates - which in the 1970's were significantly more inflationary than the rest of the EU. The link to the ERM monetary system was seen as providing a new, more deflationary anchor for the Republic as well as reflecting its



increasingly EU-orientated industrial base. Consequently the Punt was pegged to the Deutschmark dominated ECU, effectively transforming macro-policy and providing a new 'sheet anchor' for the economy. As the UK failed to join the ERM until 1990 (and only then for two years), 1979 marked the effective end of over 150 years of monetary union with the UK.

As a result, throughout the 1980's there was considerable divergence between Punt and Sterling rates of exchange, with a steady appreciation of the Punt:ECU rate until 1987 when it stabilised at IR£0.77 to the ECU, contrasting with the Sterling:ECU rate, which depreciated from St.£0.64 to the ECU in 1978 to St.£0.55 in 1981, to appreciate to St.£0.78 per ECU in 1988 (Graph 6.1). The two exchange rates converged after the UK joined the ERM in 1990, only to diverge again after the currency crisis and Sterling's departure from the ERM in 1992.

Graph 6.1: Exchange rates of Punt and Sterling relative to the ECU:  
National currency units per ECU, 1978-1992.



Source: European Economy, 1994:157, Table 50.

The Republic's ERM membership was followed by a period of instability as monetary, fiscal and incomes policies were reorientated away from UK tendencies to more closely mirror the policies of other ERM members (O'Donnell 1993a:70). Falling output and rapidly increasing unemployment (from 7% to 17% between 1980 and 1985) led to a breakdown in corporatist



economic management while trade deficits, combined with high public borrowing led to devaluations in the Punt (3.5% in 1983 and 8% in 1986) (51). Policies were reorientated with a rapid reversal of the fiscal reflation of 1979-1981 and by the mid 1980's, a stable balance of payments was restored, with Irish interest rates and inflation rates mirroring German rather than UK rates (European Economy 1994; O'Brien 1993). From 1986 this was reflected in the Punt, which, after the 10% depreciation of 1983, reached a stable exchange rate in the ERM that was maintained until October 1992.

Again in contrast with UK tendencies, as was noted in Chapter 4, in the later 1980's the role of corporatist, tripartite agreements was strengthened. After the success of the 1987 "Programme for National Recovery", which stabilised public finances as well as pay demands, such agreements came to play a central role in policy making. In 1991, the "Programme for Economic and Social Progress" updated these objectives and significantly, was aimed at meeting the needs of Irish indigenous companies in the context of the Single Market, drawing on the experience of similar Western European economies (Mjoset 1993; NESC 1989).

This economic reorientation, bringing the Republic more into line with wider EU, rather than with UK trends, led to wide divergences between economic tendencies North and South. The break between the Punt and Sterling weakened North-South financial ties and was reflected in North-South price differentials, leading to a surge in cross-border shopping in the 1980's, mostly from South to North as Sterling fluctuated relative to the Punt in the mid 1980's. For the same reasons cross-border smuggling increased as "Monetary Compensation Amounts" (MCA's) could be earnt by moving agricultural produce across the border .

As Sterling began to depreciate in the mid 1980's ERM membership also temporarily damaged the Republic's competitiveness relative to the UK. Ironically, allowing the Punt to shadow Sterling - for instance in the period from 1970 to 1978 when it depreciated relative to other EU currencies - may have been of greater benefit to Irish indigenous producers than ERM membership (NESC 1989). Nonetheless, in an economy dominated by multinationals, these and other factors such as the reduction in public



borrowing, cuts in real wage levels and labour-shedding in Irish-owned industry, boosted overall industrial productivity. This only served to further underscore North-South divergence as, from the mid 1980's to the early 1990's, industrial productivity in the Republic rose at twice the rate of productivity growth in Northern Ireland (52).

The net effect was that from the late 1980's, economic fortunes in the Republic began to mirror those in the rest of the EU rather than in Britain and Northern Ireland. In previous years, the direction - if not the magnitude - of economic growth in the Republic tended to reflect shifts in the British economy rather than shifts experienced in other, similar EU economies. This pattern was reversed in the 1980's, leading to significant economic divergences between the Republic and Northern Ireland, with a discernable effect on North-South relationships. Cross border shopping and smuggling led to tighter border controls and in the case of the Republic, firmer customs regulations, leading some to suggest that EU membership had "emphasised the economic existence of an Irish border which was largely absent hitherto" (Trimble 1989a:43). This is discussed in Chapters 7 and 8.

### *The North*

Equally, economic interests in the North were by no means been set in an all-Ireland framework, despite the enthusiasm for North-South integration. In the 1980's the South became marginally more important to Northern exporters - exports rose as a percentage of Northern GDP, from 2.4% in 1960, to 2.9% by 1972 and 4.7% by 1991 (53). But this reflected an overall reduction in the North's trading relations with non-Irish markets rather than a significant reorientation towards the South. In 1990 the NIERC estimated that Northern Ireland exports to the Republic accounted for approximately 6% of total sales, while sales in Britain accounted for 40%. In terms of manufacturing exports, 9.4% of Northern Ireland exports were destined for the Republic and 49.6% to Britain, while 20.6% were exported to other EU countries (54).



Unsurprisingly, UK macro-policies diverged from policies in the Republic and invariably failed to reflect the needs of the peripheral, deindustrialised yet still heavily agricultural economy in Northern Ireland. Perhaps in recognition of the special conditions existing in Northern Ireland, British government fiscal and industrial policies were applied with some care in Northern Ireland: the Poll tax that was introduced in Scotland in 1989 and in Wales and England in 1990, was never implemented in Northern Ireland; Northern Ireland did not experience the public expenditure cuts of other UK regions - expenditure on the health service and on public housing has remained significantly higher than in England; and the privatisation programme of the Thatcher government was not extended to Northern Ireland until well after her departure from government - with the listing of Northern Ireland electricity and water on the London stock markets in 1993.

Despite this relative isolation from British government policy shifts, the Northern economy was undermined by British macro-policies more orientated towards the interests of the City of London than to the needs of a region with a weak indigenous industrial sector on the periphery of the SEM. As the Northern Ireland Economic Council repeatedly pointed out, UK economic policy was orientated to meeting the needs of the UK macro-economy - not to the specific needs of the Northern Ireland economy and not only had a detrimental effect on the Northern economy. This undermined North-South linkages (NIEC 1989:56; 1990:46).

From 1979 for instance, UK fiscal policy was aimed at reducing rates of direct taxation and reducing the cost of labour, which, if anything, undermined the Northern economy as historically it had competed with the British regions on the basis of relatively low wages for unskilled labour. Deregulation of labour markets - in contrast with the shift towards corporatism in the Republic - and falling wage rates in Britain reduced the comparative advantage of the North, so damaging its relative productivity. Also as a result of deregulation, planning in Northern Ireland was disjointed and *ad hoc*, reacting to the on-going weakness of the Northern economy and reflecting the failure to embrace economic planning in the wider UK economy, despite bouts of recession in the late



1970's and 1980's. Of particular importance were drastic reductions in regional assistance - from 0.7 to 0.2% of UK GDP between 1979 and 1985 - in contrast with on-going tax breaks and development grants in the Republic, which, together with related fiscal retrenchment, helps to explain the failure to stimulate significant growth in inward investment to the region, despite an EU economic recovery in the latter half of the 1980's (MacKay 1992).

This was also reflected in monetary policy, which in the UK was not so much 'counter-cyclical' as 'pro-cyclical' - exacerbating the international business cycle to maintain the position of the City of London in global capital markets and thereby undermining economic development in its peripheral regions. The application of monetarist policies led to high interest rates during the recession of the early 1980's; the response to the 1987 stock market crash led to low interest rates during the late 1980's recovery; while the fear of 'over-heating' led to high interest rates in the recession of the 1990's. This not only tied the Northern economy to what were often inappropriate monetary policies, it also systematically disadvantaged the North in relation to other - more central - regions of the UK, particularly in terms of the availability and cost of borrowing as Northern Ireland borrowers were required to pay a premium of up to 3% on loans, reflecting the region's distance from the sources of UK financial power (NIEC 1982:122-3).

In addition, UK exchange rate policy did not provide Northern Ireland with the stable, preferably low currency rate relative to its main trading partners that it needed. Instead, as noted above, Sterling fluctuated erratically (55). UK entry into the ERM in 1990 at an overvalued Sterling:ECU rate, designed to favour British interests in the City of London, underlined this and was followed by a period of severe exchange rate instability after the UK left the ERM in 1992. The devalued Sterling rate no doubt favoured Northern industry in subsequent years, but once again the UK Pound was subject to rapid fluctuations, independently of relative exchange rate stability in the Republic and the rest of the EU.

### *Chapter Conclusions*



Facing increased concentration of economic power at the EU level, integration into the SEM increased the importance of developing viable, indigenously-owned industry in the peripheral regions in the EU. In Ireland this forced business, North and South, to reorientate their interests - in the case of Northern Ireland away from a UK-centred perspective, in the case of the Republic away from an externally-focused perspective, and in both parts of Ireland towards an all-Island perspective. It was no accident that this reorientation, and the political pressures it placed on politicians, North and South, intensified in the early 1990's so that, by 1994, the need for an all-Ireland economic strategy had virtually become conventional wisdom.

There were however, substantial economic obstacles to the formation of a single island economy, and many of them directly related to EU integration. While the SEM encouraged greater integration between Northern Ireland and the Republic it also strengthened the power of international capital at the EU level, leading to increased competition between the still externally orientated IDA and IDB. In the Republic, ongoing, and indeed, increased dependence on externally owned industry, as indigenously-owned industry continued to decline, strengthened dependence on EU markets and encouraged fuller integration into EU financial and exchange markets, most clearly expressed in the Republic's membership of the ERM from 1979.

In Northern Ireland, continued disinvestment by multinational capital and the collapse of private, locally owned industry, accelerated the process of 'demarketisation' and sharpened the region's dependence on sources of finance from the UK Treasury. At the same time, British economic policies remained geared to maintaining the global influence of the City of London and, from 1979, to defining the UK economy as a low-wage, deregulated location for multinational capital seeking access to EU markets. British financial autonomy from the EU was maximised, as was the ability to pursue a strategy of competitive deregulation, expressed in the UK opt-out from Economic and Monetary Union and from the Social Chapter in the Maastricht Treaty. As EU integration accelerated and the fault-line between



'EU-sceptic' and 'EU-enthusiast' became more sharply defined in policy terms, the economic border between the Republic and Northern Ireland became more important in some respects - exchange rate differentials for instance - just as it was becoming less important in others - for instance in customs regulations.

These divergences suggested that if the presumed benefits of integration were to be realised for Ireland, North and South, there would need to be concerted political guidance and democratic involvement. The degree to which this was reflected in ideological shifts within Northern Ireland and the Republic and was translated into state-led all-Ireland initiatives depended crucially on the process of mediation between economic shifts, ideological conflict and state policies (O'Donnell 1993b). The following two Chapters again focus on issues of EU and North-South integration; they attempt to highlight this mediation as well as mapping-out the relatively separate and autonomous dynamics of party-political conflict and state authority (Chapters 7 and 8).

## Notes

1. Morrissey M. (1993) The rise and rise of unemployment, speech to the conference on *Interregional economic development in Ireland, in an EC context*, organised by the Socialist Group of the European Parliament at the Wellington Park Hotel, Belfast, 1993.
2. Whether using GDP or GNP based on current prices and exchange rates or on current prices and purchasing power standard (PPS); O'Cleireacain 1983:108; See also *Belfast Telegraph*, 8 June 1993; *Guardian*, 31 January 1994.
3. Other measures of living standards - for instance car ownership - also suggested gradual convergence between North and South. The Republic had the lowest level of car ownership in the EC of 1977- at 162 per 1000 inhabitants, comparing with 220 in Northern Ireland. By 1985 ownership stood at 202, comparing with Northern Ireland's 265 (Eurostat Regio data).
4. European Economy, 1994. In the North state subsidies accounted for 18% of manufacturing GDP, the highest in the EU, compared with 13% in the South, 0.5% in England and 15.8% in Italy; Hitchens *et al* 1993.
5. For instance, there was a shift from non-cattle meat production (pork, chicken, eggs) to beef, veal and dairy production in the late 1970's and early 1980's - to 63% of total output value in Northern Ireland and 75% in the Republic. See Cooperation North (1991) *Study of Farm incomes in Northern Ireland and the Republic of Ireland*, Study Series 3, Report 1, Dublin and Belfast.



6. The funding threshold was 75% of average EU *per capita* GDP. The "Special reasons" were never spelt out.
7. *Irish Times*, 3 May, 24 February 1993.
8. McGuckian IDB Chair, speaking at a conference on *Interregional economic development in Ireland, in an EC context*, organised by the Socialist Group of the European Parliament at the Wellington Park Hotel, Belfast, 1993.
9. *Belfast Telegraph*, 8 June 1993; *Belfast Newsletter*, 4 February 1993.
10. Internal working document of Commission services: The Community Support Framework for Northern Ireland 1988-1993, 12 June 1989.
11. Coopers and Lybrand, *Northern Ireland and 1992*, January 1990:51.
12. Coopers and Lybrand, *Survey of business attitudes*, February 1992.
13. This was an observation made in several interviews carried out in the course of the research for this study. The Taoiseach was speaking as President of the EU during the Republic's Presidency of the Council of Ministers, *Financial Times*, 27 May 1990; *Agence Europe*, 13 April 1990.
14. Wilson R. (1990) Hurrah for Mr Haughey, *Fortnight* May 1990, 9-10; *Europe*, Newsletter of the European Commission in Belfast, May 1990.
15. Quigley, 1992.
16. *Irish Times*, 16 June 1992, also cited by the Irish Taoiseach in DSO (1992).
17. *Irish Times*, 6 October 1989.
18. *Financial Times*, 23 December 1992.
19. George Quigley, Chair of the Institute of Directors, NICE 1993:128-9.
20. *Irish News* 20 March 1992, *Belfast Newsletter*, 11 February 1992.
21. CBI (1992) *Priorities for European structural funding 1994-8: a strategy for accelerated growth to facilitate economic and social convergence within the EC*, 8 October 1992, Chapter Five: A joint north-south approach, page 20.
22. *Belfast Newsletter*, 11 February 1992.
23. A positive approach to the new Europe, *CBI News*, June 1992:6.
24. Nigel Smyth speaking at a conference on *Interregional economic development in Ireland, in an EC context*, organised by the Socialist Group of the European Parliament at the Wellington Park Hotel, Belfast, 1993.
25. Stewart N. (1992) *Submission to Initiative '92*.
26. *Belfast Newsletter* 1 February 1992, 9 February and 24 February 1993.
27. *Financial Times* 29 November and 15 December 1993.
28. Freeman J. Gaffikin F. and Morrissey M. 1989, *The Irish economies: a common future*, Belfast: ATGWU, 1989; Moriarty T. and Morrissey M. *The economies in Ireland*, Belfast: MSF, 1989.
29. *Irish Times* 20 December 1992.
30. Newsletter of the Northern Ireland Centre in Europe, 10 October 1992.
31. *Irish Times*, 26 March 1993; *Belfast Newsletter*, 13 March and 31 March 1992.
32. *Sunday Tribune*, 20 June 1993; *Irish Times*, 23 August 1993.
33. *Irish Times*, 16 June 1993.
34. *Irish Times*, 31 December 1993.
35. *Irish Times*, 1 May 1992.
36. *Irish News*, 2 June 1992, 10 March and 16 May 1993.
37. Sweeney P. (SIPTU), speech on "The trade union response" at a Conference on *economic change and development: prospects for peripheral*



regions, September 1993, Queens University Belfast also see the 'Culliton Report', DSO 1992a.

38. *Irish Times*, 20 March 1992.

39. *Irish News*, 30 March 1993; *Belfast Telegraph*, 3 March 1993.

40. *Independent on Sunday*, 12 December 1993.

41. This was reflected in migration patterns and holiday destinations as much as in socio-economic orientations: in 1993 - one year after the completion of the SEM, South-North tourism fell by 17%, *Irish News*, 4 March 1993.

42. Labour costs were 15% to 20% lower in Northern Ireland. This was illustrated by a project funded by the EU under the "STAR" programme which assisted in the installation of a £100m fibre optic link-up with Britain, encouraging "back-office locations" from the South East of England into Northern Ireland. Private and public sector organisations - such as insurance companies, British Telecom directory enquiries, British Airways ticket sales, as well as DSS offices relocated to Northern Ireland to take advantage of labour market conditions, *CBI News*, June 1992; *Financial Times*, 30 April 1992.

43. *Irish Times*, 26 February 1993

44. K. Bloomfield, Northern Ireland Assembly, Minutes of evidence on the Anglo-Irish summit, Northern Ireland Assembly Reports, 28 November 1983; *Belfast Newsletter*, 18 May 1993; *Belfast Telegraph*, 5 October 1993.

45. Geoff MacEnroe, Director, North-South business development programme, CII/IBEC: "Accelerating growth to facilitate economic and social cohesion within the EC" speech to the conference on *Interregional economic development in Ireland, in an EC context*, organised by the Socialist Group of the European Parliament at the Wellington Park Hotel, Belfast, 1993.

46. *Financial Times*, 25 February 1993; *Irish Times*, 26 February 1993.

47. In 1990 EU expenditure in the Republic accounted for IR£1306m out of total public expenditure of IR£12061m; in Northern Ireland it accounted for St.£158m out of a total public expenditure of St.£6596m. In 1995-6 it was anticipated that Northern Ireland EU expenditure would account for St£187m out of a total public expenditure of St£7,737m. See DFP(NI) (1994) *Northern Ireland expenditure plans and priorities*, 1994-5; NIEC 1992.

48. NIO Press Release, 27 July 1993.

49. *Belfast Newsletter*, 1 February 1992.

50. *Financial Times*, 4 October 1990.

51. *Irish Times*, 21 May 1992.

52. *European Economy*, 1994: 174, Tables 68 and 73; DSO 1992a:24.

53. *Belfast Telegraph*, 8 June 1993.

54. As Northern Ireland is part of the UK there are no trade statistics for the region. Estimates were made by the NIERC in its Report, *Exports of NI manufacturing Companies*, published in 1990.

55. While there was some compensation for British manufacturers which benefited from the availability of cheap North Sea gas in the early 1980's, producers in Northern Ireland felt the full effect of Sterling's appreciation.



## Chapter 7

# Ideological conflict: Nationalism and Regionalism

In the context of the economic shifts outlined in the previous Chapter, EU integration also stimulated ideological shifts, to a degree moving politics away from conflicts over 'national' issues and towards conflicts over 'regional' issues. This Chapter attempts to weigh up the contending pressures for ideological divergence and for ideological convergence in Ireland. First, there is an attempt to assess the emerging, EU-related pressures towards consensus between politicians on the question of North-South, regional integration in Ireland. Second, the on-going and, in some cases strengthened, pressures towards divergence are examined.

There are some arguments that EU integration would dispose of the "sovereignty-identity obsession" in Ireland, offering the possibility of a "reassessment of all relationships on these islands", weakening the conflict between British "integration" and Irish "separatism", and forging a new "European citizenship" (1). There are, however, serious problems with these arguments as they assume that the transnational context could supersede relations between a dominant national political culture and its subordinates. Indeed, de-nationalising state policy would not necessarily address the roots of the conflict - assuming that such changes were possible. Interpreting the conflict between Britain and the Republic over Northern Ireland as a relatively benign relationship between British "integration" and Irish "separatism" underestimates the historical and contemporary roots of the conflict, and it down-plays the degree of ideological divergence between nationalism and unionism within Ireland.

While all-Ireland regional integration may have become an economic necessity this appeared to be having, at most, a minimal impact on the



continuing pressures for ideological divergence in Ireland. Nonetheless, such 'regionalising' impacts may have longer term significance, and here are examined in some detail.

### *Regionalist convergence*

EU institutions played a key ideological role in legitimising the redefinition of Ireland as a single island rather than two separate jurisdictions. This involved a re-definition of territorial concepts in Ireland as EU institutions sought to use depoliticised 'regional' concepts, free from 'national connotations' - unlike existing terms associated with various shades of 'green' or 'orange', such as 'Ireland', 'Northern Ireland', the 'North of Ireland', 'Ulster', the 'Republic', the Free State, Eire, the 6 and the 26 Counties.

In the early 1980's for instance, the Commission began using the concept of the "totality of relations within these islands" - a single Irish and British geographical entity defining Northern Ireland as a matter of legitimate concern for the Republic as well as for Britain which was initially floated by nationalist politicians in the South, in particular by Garret Fitzgerald (1972). The concept was developed at the EU level primarily because it allowed British and Irish representatives to discuss common issues on the sidelines of EU meetings, resulting in common Communiqués which could be released without the fear that either government would be accused of interfering in the other's 'sovereign' territorial jurisdiction, thus providing the basis for inter-governmental Anglo-Irish dialogue on the North, a process of consultation and cooperation that culminated in the Anglo-Irish Agreement (2).

In the later 1980's the concept of the "island of Ireland", became more current. This was used by the Commission as short-hand for the Republic of Ireland and Northern Ireland, as the Commission had been criticised for using the term 'Ireland' for the 26 County Republic. This issue was highlighted in the first session of the European Parliament in 1979 by the UUP MEP John Taylor, who argued that the term 'Ireland' rubbed out the



existence of the North (3). Nationalists and Republicans had also criticised this habit of collapsing the 26 County Republic into the concept of Ireland as a way of suggesting that the national project in the South was somehow complete, when for them it plainly was not.

The concept of the "island of Ireland" offered a means of addressing North-South issues without directly or explicitly questioning jurisdictional divisions. In 1988 for instance, the Commission used the concept to highlight the need for Community initiatives at the all-Ireland level in the 1989-1993 framework for the expenditure of EU structural funds. The term 'island' had a common sense appeal that was virtually irresistible, even to those whose primary political purpose was to preserve Northern Ireland's link with Britain. By the 1990's it was being used by the British government (notably in the Downing Street Declaration) and by Unionist and Loyalist politicians.

It was no accident that this shift in EU nomenclature coincided with the acceleration of EU integration in the mid to late 1980's as state borders and jurisdictional definitions of territory were partially undermined and superseded by the concept of an EU without internal borders with regional definitions of territory, at the sub-state and supra-state levels acquiring greater significance. In Ireland the new regionalist definitions were founded on a relatively non-contentious geographic concepts and provided ideological legitimation for North-South policy initiatives and for cooperation between the Republic and state authorities in the North. In this ideological context a degree of consensus emerged between political parties in both parts of Ireland on the question of regional integration in Ireland and in the EU.

### *The North*

Reflecting sharpened national conflict after EU membership, political divisions in Northern Ireland between nationalists identifying with Ireland and unionists identifying with Britain, continued to widen: in 1968 20% of Protestants saw themselves as "Irish" while 20% of Catholics saw themselves as "British". By 1989 the equivalent figures were 3% and 8%.



But at the same time, a regionalist redefinition of national identity was underway, heavily influenced by EU integration. There was a degree of convergence on common regionalist definitions of identity - which linguistically and symbolically encompassed both identities (Moxon-Browne 1991). The inclusive concept of "Northern Irish" for instance, could express both an affiliation to definitively separate 'Northern Ireland' at the same time as it expressed an affiliation to Ireland in general (4).

This paradox that both inclusive and exclusive affiliations had a growing appeal was reflected in political preferences in Northern Ireland. Within political parties inclusive, regionalist redefinitions of political identity offered the basis for a more malleable political categorisation, particularly for Nationalists and Republicans (5). It also was a key factor in the emergence of a political consensus on the need for power-sharing political institutions in the North, with veto powers for both Nationalists and Unionists: in a survey conducted by *Initiative '92* in 1993, for instance, 86% of Northern Catholics were found to support this option, together with 46% of Protestants, adding up to 63% overall (6).

This superseding of communal and political boundaries, just as in other respects they were being sharpened, was also a strong theme in political responses to EU integration. The issue of whether Northern Ireland should join the EU split both political blocs in Northern Ireland: constitutional Nationalists and some "official" Unionists favoured membership while Republicans and Loyalists opposed it. An opinion poll held in 1978 suggested that this reflected public attitudes to the EU, with roughly half of all Protestants and half of all Catholics favouring continued EC membership (Guelke 1988:157).

Furthermore, after membership this cross-community support for EU integration grew at a remarkable rate. At the time of the referendum in 1975, Northern Ireland was the most anti-EU of UK regions; by 1991 it was the most 'europhile' UK region (Table 7.1).



Table 7.1: Percentage favouring UK withdrawal from the EU:  
Northern Ireland and the UK

	Northern Ireland	United Kingdom
1975 Referendum (turnout)	47.9 (47.4)	32.8 (64.5)
1991 Eurobarometer Poll (survey number)	5.2 300	19.3 1000

*Source:* Derby 1993; Eurobarometer 36, Autumn 1991.

This reflected a strengthened, shared regional identity of Northern Ireland, as part of the EU, which both Nationalist and Unionist politicians could claim to represent. As elsewhere in the EU, regional consensus was defined against central state authorities, in this case, over issues such as subsidiarity and additionality (Hainsworth 1992). Politicians competed to define themselves as regional ambassadors, defending regional interests and maximising the flow of EU funds to the region - a type of "pork barrel regionalism" (Murray 1992:21). These tendencies emerged in parallel with the on-going national conflict in Northern Ireland, and often conflicted with its logic - disrupting ideological positions in the conflict, forcing policy realignments along regionalist lines, and potentially recasting 'national' constituencies.

Although attitudes to the EU cut across sectarian lines in Northern Ireland, party political leaderships mobilised for EP elections on traditional nationalist versus unionist lines. Due to what the British government called "special circumstances" in Northern Ireland, the region was defined as a single Euro-constituency, with its three Members of the European Parliament (MEPs) selected under the proportional representation system (7). Partly as a result of this, EP elections were treated as a contest for political leadership in the North and as a vote for or against the dilution of UK sovereignty - and by implication - the dilution of Northern Ireland's



constitutional status as part of the UK. Consequently the sectarian divide was clearest in EP elections than at any other election, with very few transfers across the communal divide and cross-community parties - such as the Alliance and Workers Party - faring worse in European than in either Westminster or local government elections (O'Leary 1990; Guelke 1988:156).

This favoured the Democratic Unionist Party (DUP) which tripled its share of the votes cast - from 10.2 per cent in the 1979 Westminster election to 29.8 per cent in the European election of that year, claiming 170,688 first preference votes - an event described as "one of the most important years in DUP history" as it "established its claim to speak for Protestant Ulster" (8). This compared with the successful Ulster Unionist Party (UUP) candidate who polled 127,169. EP elections also favoured the Social Democratic and Labour Party (SDLP), which in 1979 claimed 24.6 per cent of the vote - 4.7 per cent more than in the 1979 Westminster and 7.1 per cent more than in the 1981 local government elections. In contrast, the UUP, which fielded two candidates in the 1979 elections, saw its share fall by 14.7 per cent to 21.9 per cent of the vote.

Although the DUP continued to top the poll after 1979, there was a slight movement away from the anti-Maastricht DUP and Sinn Féin, towards the less anti-EU UUP and, more significantly, towards the pro-EU SDLP. Both the DUP and Sinn Féin saw their share of the vote fall by 3.4 per cent between 1984 and 1994 while the less negative UUP saw their vote increase by 2.4 per cent and the SDLP by 6.4 per cent, both over the same ten year period (Table 7.2). This perhaps reflected the growing acceptance, even enthusiasm, for European integration from the mid 1980's, voters began to favour political parties with a positive programme for European integration.



Table 7.2: European Parliament elections in Northern Ireland: percentage of votes cast, 1979-1994

	UUP	DUP	SDLP	SF	All	WP	Oth	Turnout
1979	21.9	29.8	24.6	-	6.8	0.8	16.1	57
1984	21.5	33.6	22.1	13.3	5.0	1.3	3.2	65
1989	22.2	29.9	25.5	9.2	5.2	1.0	7.1	44
1994	23.8	29.2	28.9	9.9	4.1	1.0	3.1	49

Source: O'Leary 1990, *Irish Times* 14 June 1994.

The three Northern Ireland MEPs worked together on what were defined as joint regional concerns (Elliott 1990). Funding, 'additionality' and representation at the EU level were common themes in election material, reflecting an emerging political consensus on such issues (Hainsworth 1992:151). The parties were forced to collaborate in 'getting the best deal' for the North in the EU, cross-party voting on regional issues at EU level was commonplace, and the three MEPs often made joint representations to the EU and to the British government.

As early as 1980 all three MEPs visited Brussels with the Mayor of Belfast to call for more EU funds for Northern Ireland. In 1981 they complained that the British government was, as the Rev. Paisley put it, "siphoning off money intended for Ulster into its own coffers" and in 1985 the three MEP's joined with the Ulster Farmers Union and the Northern Ireland Economic Council to lobby Brussels for an increased milk quota for Northern Ireland under the CAP (9). In 1988 MEPs were united in their condemnation of the NIO after the proposed 1989-1993 Community Support Framework for Northern Ireland attracted 50% *per capita* less than the Republic's submission and again, were unified in opposition to the criteria applied for allocating Cohesion funds. On this occasion - in 1993 - the three MEP's sought, and received, a meeting with the British PM on the issue, and returned to Northern Ireland with the promise that the Treasury would top-up Northern Ireland public expenditure levels, as the



only "Objective One" region not to be allocated 'cohesion' money. As the *Irish News* noted, when it came to defining themselves as doing the 'best' for Northern Ireland, "cash was thicker than blood" (10).

A measure of the surprise at such joint action and how it conflicted with the politicians' positions in the national conflict can be gauged from news reports in 1988 after a press lunch for the MEP's in the Commission's offices in Belfast where John Hume and the Rev. Paisley sat side-by-side and stated there was nothing unusual in the two parties agreeing on socio-economic issues. The two MEP's clarified that it was their "duty" to get the "best" for Northern Ireland and although no press photographs were permitted, the next day the *Irish Times* announced that "John and Ian unite in amity" (11).

### *Party policies*

Partly as a result of this ostensibly *ad hoc*, 'non political' joint action, there was a significant shifting of position in official party policies. In effect, parties and their representatives were forced to construct a consistency between their ideological positions in the national conflict and the logic of regional integration in the EU.

Amongst nationalists, the Party most influenced by EU integration was the SDLP. Regional integration in the EU was seen as stimulating a reassessment of North-South relations in Ireland. In 1992 for instance, the Party leader called for equal treatment for all the 'objective one' regions under the 'cohesion fund' and for a North-South economic Policy Commission to manage the "integration of the whole Irish economy within the new Europe" (12). In 1977 at its seventh annual conference the Party had focused on the socio-economic impacts of EU membership and in 1984 it argued that these constituted an alternative agenda, separate from the sectarian politicking of rival candidates. In successive EP elections the Party defined itself and its candidate John Hume, as something of an expert on EU issues: the Party's 1984 manifesto, *Strength in Europe*, spoke of his "political effort and political expertise... as compared with the negative and destructive attitudes of our main opponents". The Party campaigned



for continued EU membership in the 1975 referendum and at Westminster supported both the Single European Act (1988) and the Maastricht Treaty (1993). Ten years later, the 1994 manifesto, *Towards a new century*, also concentrated on such issues. Under the slogan "Europe for people and people for Europe" the Party emphasised issues such as the CAP, the social charter, the European employment initiative, environmental issues and global economic development and emphasised the influence it could wield as a member of the socialist group.

Sinn Fein shifted closer to the SDLP position, reflecting greater acceptance of the EU dimension to politics in Ireland. The Party programme, *Eire Nua*, published in 1971 had favoured a strong Irish national state which would distance itself from the "rich men's club of former colonial powers in the EC". In its first EP election campaign in 1984 the Party fought the election primarily on issues directly related to the conflict. Its manifesto, *One Ireland, one people, the only alternative*, argued that the EU had "subjugated" Ireland to the interests of larger EU states and called for a "negotiated withdrawal", substituting trade agreements for EU membership. At the same time the Party campaigned for "the maximum benefits available", demanding improved levels of grant aid and suggesting that EU advice centres should be set up in farming communities. The 1989 manifesto, *For a free Ireland in a Free Europe*, argued that Europeanism was no replacement for Irishness and again called for the renegotiation of Ireland's EU membership. In 1992 it published *Democracy or dependency - the case against Maastricht* and campaigned for a 'no' vote during the Maastricht Treaty referendum in the Republic.

But by 1991 the Sinn Fein leader was admitting that the Party's "inability to latch onto the European dimension is a source of frustration for me" (13). With the 1994 manifesto, *Peace in Ireland, a European issue*, there was a substantial shift as the Party moved from outright condemnation of the EU, to arguing that it was possible to construct "an alternative to the undemocratic, anti-worker EU". EU policies were still seen as the product of imperialist ideology, centred on the "creation of an economic and political superpower" and servicing the needs of transnational corporations and international finance rather than the "interests of the



actual people of the community" and the Maastricht Treaty was criticised not simply for the 'democratic deficit' but also because it would "erode further the power and sovereignty of EU member states". But EU integration was not therefore rejected, on the contrary, it was seen as a key site of political engagement and the Party came close to praising the EU for its use of funds "to promote the image of 'the island of Ireland' as one unified economy", regretting that this was not expressed in the policy priorities of either the Republic or Northern Ireland.

Other non-Unionist Parties also moved towards accepting the logic of EU regional integration in Ireland. The Workers Party - political descendants of the "official" IRA - was opposed to EU membership in 1972. But by 1989 it had become more positive about EU developments and the possibilities for political intervention to improve Northern Ireland's position within it. The party argued for improved representation for Northern Ireland at the EU level and saw the EU framework as a means of superseding the "medieval quagmire" of sectarianism in Northern Ireland (14). It fought the 1984 EP election on socio-economic issues - especially employment and poverty, standing candidates in three Irish constituencies - in the North, Dublin and Munster and its manifesto, *Peace, work, democracy, class politics*, focused on the need to construct "Left unity" at the EU level to challenge neo-liberal policy agendas at the EU level which had left 400,000 unemployed in Ireland - North and South. In Northern Ireland the party called for an EU funding boost, to St£3bln, proportionate with the Republic and for consideration of an Antrim-Scotland road link. On constitutional issues it urged active EU intervention through an update of the "Haagerup Report" - the European Parliament's 1984 investigation into politics in Northern Ireland (See Chapter 8).

Unionists were generally opposed to EU integration as it was seen as diminishing the significance of British sovereignty and by implication, undermining North-South divisions in Ireland. Ironically, the smaller Loyalist Parties associated with Loyalist paramilitaries were amongst the least hostile to EU integration. Consistent with some preferring Northern Ireland independence, there was general acceptance of the need for North-South economic linkages, but only as a "working partnership between two



states", suggesting, in 1993, that "the two parts of Ireland are far too small to paddle with their own canoes"(15).

Of the 'mainstream' unionist parties, only the small cross-community 'Alliance' Party defined itself as pro-European Union. It endorsed regionalisation as a means of overcoming divisions in Northern Ireland and in its 1989 the Party manifesto, *Show Europe a new face*, it argued for coordinated EU action on regional development in Ireland. The 1994 manifesto, *Our future together in Europe*, called for regional government for Northern Ireland to improve representation of Northern Ireland as a region at the EU level to "provide... a political structure which all sections of this community could support". The Party favoured accelerated EU integration and its candidate - Mary Clark-Glass - concentrated on socio-economic, environmental and international issues rather than on Northern Ireland constitutional issues.

Unlike the Alliance, the UUP was ideologically opposed to the concept of European regionalism but nonetheless, became relatively positive on some issues of integration in the 1980's. In the 1975 referendum the Party was undecided, primarily because of the pro-European, pro-CAP rural vote, with some politicians favouring membership while others, including Jim Molyneaux, leading a "get Britain out" campaign in the North and seeing European integration as undermining Northern Ireland's constitutional position in the UK (16).

In its 1989 manifesto, *Europe in the '90's*, the Party welcomed measures to liberalise trade in the EU, arguing that "the lifting of trade barriers will increase cross-border trade within the island of Ireland" and emphasised that it had "campaigning hard to have the present Eire restrictions on crossborder trade removed" and in a section on "relations with the Republic of Ireland", the Party clarified that it was "not opposed to co-operation where there are no political or constitutional implications". These issues did not deserve a mention in the 1994 manifesto, *Europe: making it work for Ulster*, perhaps suggesting that they had become politically sensitive, and the manifesto returned to more general assertions of the need for Northern Ireland to be placed on an equal footing with its



European partners and on the role of their candidate in promoting a "two-way awareness" and helping "to win new understanding of the Province's difficulties".

Nonetheless, the Party - particularly its more 'liberal' wing - had begun to recognise the necessity for North-South links. Speaking in Cork in 1993, Ken Maginnis (UUP MP) called for both parts of Ireland to develop and exploit common strengths, emphasising the urgent need for the Republic to adopt a more facilitative and less combative relations with the North and amongst some UUP border Councillors, there was increased acceptance of an EU-induced reduction in the significance of the border (17). This was also reflected in the McGimsey brothers' submission to the Opsahl Commission (one of whom was a UUP Councillor in the Shankill area and an Honorary UUP Secretary) which favoured strengthening North-South linkages between the two administrations to encourage the "questioning of old notions of nationalism" in the South as well as to "achieve social and economic benefits for the Irish people as a whole (18).

The Party also addressed the issue of North-South relations with its position paper, *Blueprint for stability*, of February 1994, in which the approach outlined in 1989 was deepened, suggesting a closer engagement with and acceptance of EU related issues. On North-South constitutional issues, arguments for the removal of Articles 2 and 3 of the Republic's constitution were phrased in terms of the need to learn from "European co-operation, namely recognition of existing frontiers, abandonment of territorial ambition and mutual co-operation in an atmosphere of respect for human rights". The Party emphasised that it was their "ambition... to develop co-operation on matters of mutual interest and concern" with the Republic and supporting this, there was acceptance of the need to incorporate the European Convention on human rights and CSCE declarations on minority rights into the Northern Ireland legal system (19).

The DUP was more actively hostile to EU integration. It campaigned against membership in 1975 and in 1979 saw itself as participating in the EP to maximise EU transfers to Northern Ireland and to put the Loyalist case at the European level. In 1984 the Party stressed issues such as additionality,



the need for more regional funding and argued that their candidate - as an independent - was concerned "only with advancing the cause of Northern Ireland". There were similar themes in the 1989 manifesto, with a particular stress on the Party's independence as "a free and unfettered voice" in the EP and in 1992 the Party was still "implacably opposed" to the Maastricht treaty and committed to "milking the cow before slitting its throat" (21). These themes were confirmed in 1994 when the candidate claimed he had "no ties with any group which is pro-EC and anti-Ulster in character", clarifying that "we oppose the creation of a European super-state or anything which strikes at the sovereignty of the UK".

This was set against the Party's substantial commitment to structures at the EU level and to coordinated EU action in support of 'national' policies that, by 1994, went well beyond "milking" the EU cow. By 1992 the Party had begun to argue for "cooperation in Europe without incorporation", a position similar to that of the UUP (22). The Party called for EU action on unemployment, proposing a new Commissioner to "channel the resources of the community into reducing unemployment" and it welcomed the creation of a Commissioner for consumer affairs. It favoured EU action on working conditions, supporting the EU Social Charter, and it called for the creation of an EU inspectorate to enforce regulations on the transportation of live animals. On other issues, EU conditions were used as a yardstick, for instance, in developing a "family policy" under which an income would be provided for "full time mothers equivalent at least to the minimum wage in many EC states".

Overall, then, there was some convergence between political parties in Northern Ireland on issues of EU integration. Parties initially opposed to EU membership participated in this consensus-forming process, suggesting that EU integration had stimulated ideological conflict along regionalist, rather than nationalist lines in Northern Ireland. This was mirrored by developments in the Republic.

### *The South*



In the Republic political debate on the process of EU integration also increasingly focused on the content of integration rather than the question of integration itself. Public enthusiasm with the EU had traditionally been high in the Republic - in 1992 for instance, 70.2% saw the EU as a "good thing", compared with 46.5% in Northern Ireland, 43.1% in the UK and 60.4% in the EU as a whole (23). In May 1972 83% of voters approved the proposal to join the EC, following a campaign in which the two major political parties, Fianna Fail and Fine Gael, along with the political establishment in the Senate and the Department of Foreign Affairs, wholeheartedly supported membership (24). Voter enthusiasm for EU integration was also reflected in the referenda which approved the 1987 Single European Act and the 1993 Maastricht Treaty and in successive Eurobarometer polls - in 1991 for instance, 5.3% favoured withdrawal from the EC, compared with 7.2% in the Community as a whole (Eurobarometer 36, Autumn 1991).

Arguably this pro-Europeanism was reflected in voting patterns. As, in the 1980's and 1990's, a wider range of political parties competed for votes on a pro-EU political agenda, there was a movement of votes away from the main, largely pro-EU parties - Fine Gael, and Fianna Fail. In 1979 these two parties jointly accounted for 67.8% of the vote and nine of the fifteen seats, rising to 71.4% of the vote in 1984 and fourteen seats. By 1989 though, their proportion of votes cast fell to 52.7%, with ten seats. In 1994, partly due to the low turnout, their vote rose to 69.3%, but only increased their representation by one seat, contrasting with the Irish Green Party which gained its first two seats in the European Parliament (Table 7.3).

Table 7.3: **European Parliament elections in the Republic:  
percentage of votes cast, 1979-1994**

	FF	FG	LP	SF	PD (turnout)	WP	Green		Ind
1979	34.7	33.1	14.5	-	-	3.3		14.1	(63.6)
1984	39.2	32.2	8.4	4.9	-	4.3	0.5	10.1	(47.6)
1989	31.5	21.6	9.5	2.3	11.9	7.5	3.8	11.9	(68.3)
1994	35.0	24.3	11.0	3.0	6.5	6.5	3.7	6.9	(37.0)



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*Source:* European Parliament (1989) EP elections 1989: results and elected members, PE 133.339, 22 June 1989; *Financial Times*, 14 June 1994.

While this could have reflected a general disillusionment with the two main political Parties in the Republic, it also, at least in part, reflected a move towards greater political engagement with EU-related issues by a wider range of political parties. As in Northern Ireland, this was reflected in party policies.

### *Party policies*

Generally, the EU was presented as a useful forum for the pursuit of the Republic's specific interests, particularly in agriculture. Only on the Left, in the trade union movement and in the Labour Party, 'official' Sinn Fein (later the Workers Party), from 1992 with the Democratic Left, the Green Party and the Irish Communist Party, was there opposition to membership, largely on grounds of its impact on the Republic's military neutrality and its likely damage to industry - nonetheless, as in Northern Ireland, these parties later became less implacably opposed to EU integration.

The most pro-EU Party - Fine Gael - was dedicated to the development of the EU as a "moral enterprise" (Ruane and Todd 1992a). It was fully committed in its Party Constitution to working towards a united Europe and defined itself, in the European Peoples Party, as within the mainstream of European Christian Democracy. Nonetheless, the Party was committed to maintaining the Republic's state powers in EU institutions, for instance reflected in its proposals for institutional reform of the EU which were aimed at protecting the interests of Irish state representatives rather than at increasing the pace of integration. It emphasised the role of a reformed Council of Ministers in which the Republic would have an equal vote with other EU members, in tandem with a strengthened European Parliament and when in government, the Party opposed diminution in the Commission's "exclusive power of initiative", which was seen as the key to preventing the domination of EU institutions by the larger member states (25). Consequently, the Party's 1994 EP manifesto, *Working for Ireland*



*at the heart of Europe*, called for a "democratic constitution for a strong EU" while at the same time opposing "any proposal which is designed to create differential membership terms or status for larger states in the Union".

Fianna Fail was more sceptical of integration. In 1985-6 it called for a renegotiation of the Single European Act - in alliance with the French Gaullists in the European Democratic alliance. The following year this opposition was reversed and the Party fully endorsed the Act in the Republic's referendum of 1987. By the 1990's the Party supported the transition to European Union: its leader, Charles Haughey, participated as Taoiseach in the Inter-governmental Conference which approved the Maastricht Treaty in 1991 and in 1992 the Party campaigned for a 'yes' vote in the Maastricht Treaty referendum. Reflecting this shift, in 1990 the Party adopted a more positive position on the role of the EU in the national conflict, calling on the Commission to address the "totality of relations between all Parties of these islands" (26).

The shift in Irish Labour Party policy came later. The Party campaigned against the SEA in 1987 but by the 1989 election, the Party had adopted a pro-integration position, arguing for a strengthened regional and social dimension to EU policies in its manifesto, *Towards 1992*. The Party advocated critical endorsement of the Maastricht Treaty in the 1992 referendum, stressing the dangers of EU deregulation for employment and social development in the Republic and by 1994 it was campaigning in favour of EU integration as part of the move to a united socialist Europe (27). The Party's manifesto, *Europe for the people*, was positive about the process of EU integration and stressed that it was only through "cooperation and coherent policies" at the EU level that issues of employment, social development and environmental protection could be addressed.

Similarly, by 1994 the Workers' Party was supporting EU integration, while two years earlier it had called for a "no" vote in the Maastricht Treaty, to allow a re-negotiation to safeguard Irish neutrality and to protect the Republic's economy from the so-called 'convergence criteria' (28). This was mirrored by policy positions adopted by the Democratic Left, which split



from the Workers' Party in 1992. Its 1994 manifesto, *Towards a democratic Europe*, for instance, focused on attempting to shift the political agenda at the EU level away from neo-liberalism, towards an eco-socialist agenda, for a "people's Europe built on cooperation rather than competition". Finally, the Irish Green Party also became more actively engaged with political issues at the EU level in 1994. The Party opposed the Maastricht Treaty in 1992, but two years later in its manifesto, *Guarantee the earth*, presented a detailed agenda for environmental improvements, all to be implemented at the EU level.

Overall, concerns about loss of sovereignty for the Republic in the EU were replaced by concerns about the content of EU policies. Party political positions on the issue of EU integration appeared to converge, as left-right political conflict between the parties was translated or transposed to the EU level.

### *Summary - North and South*

Given these shifts in party policy, to some degree reflected in voting patterns, there are grounds for arguing that the process of EU integration led to a degree of convergence, North and South in Ireland, towards a shared acceptance of the process of EU integration and towards a common policy agenda on EU related issues. Effectively, the EU had become a fact of political life in both jurisdictions, leading to significant revisions in party positions on issues relating to national sovereignty.

As early as 1972, Garret Fitzgerald, who was later to become leader of Fine Gael, predicted that many of the "reserved powers" that were retained by Westminster under the 1920 Government of Ireland Act were likely to be exercised at the EU rather than at the UK level (Fitzgerald 1972:109). These included foreign affairs, external defence, nationality, corporation and income tax, customs and excise duties, trade marks and patents, external trade and currency regulation - all of which, since the Maastricht Treaty were at least partially exercised at the EU level.



Politicians in Ireland, North and South, began to compete to define the agenda for these issues at the EU level, to a degree shifting ideological conflict out of the 'national' state framework and into a supra-state EU regional framework. As socio-economic issues were articulated in a common, EU frame of reference in Ireland, North and South, it was possible to conceive of a redefinition of social interests, leading to a positive sum, "synergy of positive collaboration" between the sub-state regions of the EU - including between North and South in Ireland (29). This non-national, regional agenda for North-South unity emerged as the rhetoric of Ireland's politicians converged on EU-related issues, possibly replacing the "tired slogans" of nationalism (30).

In this 'regionalist' model, it is argued that the weakening of state sovereignty in the EU would strike at the heart of ideological dispute in Ireland's national conflict. In the EU context the constitutional question would be transformed from a zero-sum into a positive-sum issue, in which it is possible to conceive of an EU and North-South dimension to Northern Ireland's constitutional status as additional to its status as part of the UK. It was argued this *de facto* federalism within the EU may "reposition" Northern Ireland in a set of European contexts - "guaranteeing democratic participation and minority rights, economic development and cultural diversity" (31).

These optimistic endorsements of EU regionalism perhaps over-emphasise its positive impacts and play down on-going ideological conflict over sovereignty-related issues. Indeed, the one remaining 'reserved' power under the 1920 Act cited by Fitzgerald in 1972, namely the absolute power of the "Crown in Parliament", remained central to the concept of state sovereignty in the UK and was at least as symbolically central to political affiliations in Northern Ireland as it was prior to EU membership in 1972. Regardless of the explicitly political dimensions of EU integration, for instance on citizenship rights, these claims to sovereignty in the Northern Ireland remained firmly in place, in practical as well as in symbolic terms (Boyle and Hadden 1994:146).



These issues of on-going and perhaps sharpened nationalist divergence in Ireland, leading to greater ideological division between North and South, are examined in the next sub-section.

### *Nationalist divergence*

The two Irish economies are among the most open - and dependent - economies in the EU but in many respects, political configurations in the Republic as well as in Northern Ireland are still defined by ideological conflict over the 'national' question (O'Donnell 1993a:40). Indeed, the '1992' changes, leading to greater crossborder collaboration in financial, economic and social relations, "merely serve(d) to highlight the extent to which the continuing existence of the border was determined by political and cultural forces" (Hickman 1990:21).

All the major political Parties, North and South, with the exception of the South's Labour Party were born out of national conflict and very few bridge North and South. Only the Workers Party, Sinn Fein and the Communist Party stood candidates on an all-Ireland basis in the 1970's and 80's. Furthermore, political movements are also divided between Northern and Southern elements: there are separate civil liberties organisations for North and South; environmental campaigns are centred on either of the two jurisdictions, rarely both; voluntary and community development agencies such as "Combat Poverty" and the "Community Development Workers' Cooperative" are focused exclusively on the South, while the NICVA is focused on the North; the pro-choice campaign in favour of decriminalising abortion in the North was organised separately from its Southern counterpart, reflecting divisions in the women's movement which had only intermittently been organised on an island-wide basis (Ward 1991).

There are separate business organisations, commercial groupings and agricultural associations for North and South, invariably articulating their particular rather than their common interests. Cultural organisations are also divided between North and South - even most Irish language agencies



are separately organised. While the major religious organisations, such as the Protestant Church of Ireland, the Presbyterian Church and the Catholic Church, are organised on an all-island basis, the Protestant Churches rarely articulate their concerns in an all-Ireland framework. The same is true of the trade union movement - which is organised on an all-Ireland basis through the ICTU, but is rarely engaged in linking the concerns of Northern and Southern workers. The sporting world has also retained all-Ireland structures but again, unevenly, for rugby, boxing and Gaelic sports - but crucially, not for soccer.

While formal politics is almost fully partitioned, significant aspects of economic and cultural life remain organised on an all-Ireland, cross-border basis, reflecting the uneven historical legacy of national conflict. But this cross-border "permeability" is rarely, if ever, politicised, as to do so would be to immediately undermine the 'positive sum' basis on which such linkages were maintained (Whyte 1983, 1991). Hence the weakness of North-South organisations reflects 'zero-sum' conflicts between unionism and nationalism, in which Irish nationalists are seen as pursuing an aspiration that, if successful, directly diminishes the rights of British nationalists: if the Republic gains a greater role in political affairs in the North then - as the unionist Cadogan Group has argued - "unionists give up something real and tangible and they give it up for good" (32).

These conflicting fears and hopes were reflected in opinions on the impact of the removal of borders in the EU, with the SDLP stressing the "magnetic" force driving border communities together in the context of the EU, while the UUP emphasised that the border divided two "nations", expressing, as John Taylor, the UUP MP and former MEP called it, "the fundamental division between the two races that live on this island" (33). This was translated into open hostility towards the concept of a 'borderless' EU with repeated calls to "seal" the border, from UUP as well as DUP politicians (34). Hence, the political response to EU integration, in the Republic as well as in Northern Ireland, was heavily influenced by the national conflict and in what follows these influences are examined in some detail, again, primarily using party policy documents and European election manifestos.



## *The North*

The political logic of the national conflict was reflected in the electoral framework for the EP elections in Northern Ireland. As noted earlier, the region constituted one constituency and the elections were run under a single transferable vote system - like in the Republic, although the vote was held on the same day as in Britain. The use of the STV system and the allocation of three seats for Northern Ireland, two more than the UK government initially intended to allocate to the region on the basis of relative population, reflected a desire to ensure that Northern nationalists obtained at least one representative in the EP (Elliott 1980). The Commission and the Republic pressed for these concessions which were agreed by the UK government on condition that it received an increased allocation of seats overall (Fitzgerald 1991). As noted earlier, this helped to ensure that the national divide in Northern Ireland was more clearly defined in European elections than in elections for Westminster or for local authorities.

In terms of electioneering, issues in the national conflict rather than specifically EU issues tend to shape the political agenda. These were increasingly intermingled with EU themes, begging the question of whether the national conflict is being Europeanised or whether the European dimension was being sectarianised (Arthur 1985).

The SDLP, the most Euro-phile of all the main parties in Ireland, re-cast its nationalist agenda in the EU context. In 1982 the Party appealed to the EP to "grasp the nettle" in Northern Ireland as the conflict was an "affront to community ideals" and in its 1984 election manifesto the Party focused on the the EU as a platform for airing Northern Ireland's grievances (35). It argued that the debate around the Haagerup report - which Hume had initiated through the Socialist Group in the EP - was the "first international debate" on the North's problems and that the Parliament had offered a forum to focus international attention on human rights abuses in Northern Ireland (the Report is discussed in Chapter 8). It argued that European integration necessitated action at the all-Ireland level, it



complained about the British failure to present Northern Ireland's case and suggested that agricultural support should be applied at an all-Ireland level, to reflect the shared interests of Ireland, North and South.

Ten years later, in the 1994 EP elections, the Party had developed these campaigning themes into an ideological formulation that expressed the nationalist aspiration to greater unity in Ireland within a wider "Europe of the Regions". The election address spoke of the "'the ever closer union' of the peoples of Europe, the breaking down of old conflicts and barriers" as a "major source of assistance in tackling our own problems". The manifesto avoided any detailed discussion of what this implied for the North, partly reflecting Unionist accusations that the SDLP had imposed its own nationalist agenda on the process of EU integration. The only - oblique - reference to Northern Ireland's relationship with Britain was the argument that "there must be effective direct representation of Northern Ireland in Europe, and joint approaches with the Republic, if we are to maximise the advantages of EU membership" (36).

Clearer indications of the Party's developing EU-related, regionalist agenda emerged in Party statements from the early 1980's. In 1988 the Party leader had argued that the SEM would lead to "harmonisation of both parts of Ireland", arguing that "many of the divisions will have to go" (37). Two years later, in 1990, he brought a piece of concrete from Belfast's 'peace line' to a European Socialists conference in Berlin, to demonstrate his belief in the "powerful example that Europe provides for Northern Ireland " and at the SDLP Ard Fheis in that year he claimed that "sovereignty and independence are no longer Northern issues", making it "much easier to accommodate both identities" (38). Later, in a speech to a Church of Ireland congregation in Belfast, the party leader emphasised the development of EU integration in encouraging "an ever closer union between Britain and Ireland, and North and South in Ireland", offering unionism a place in these unifying tendencies (39).

More detailed implications were mapped out in Party policy papers. The 1992 Party position paper, *The SDLP analysis of the nature of the problem*, argued that the "pooling of sovereignty" in the EU would enable people to



"work their common ground together at their own speeds towards a unity that respects diversity", founded on substate regionalisation and democratic EU institutions, what the Party leader described as a "dilation of democracy" (40). This had clear implications for North-South issues. In its 1988 policy statement, *1992: the implications of the single market for Northern Ireland*, the Party had argued that - "1992 will mean the effective disappearance of the border for practical and commercial purposes" and in 1990 the Party leader suggested that with the onset of European Union, the North-South border would become little more than a "County boundary" (41).

Consequently, in its submission to the NIO on the 1994-1999 EU funding round, the SDLP argued that there should be the "maximum integration possible" in transport linkages and greater coordination of government plans in every aspect of EU expenditure. It was suggested that cross-border authorities with tax raising powers in both state jurisdictions, should be created in partnership with the European Commission, to manage the separate INTERREG fund for border regions (42). On more directly constitutional issues, the Party was willing to encourage arrangements that would allow the two communities "to share the island short of a single island state" and it presented specific proposals, modelled on EU institutions, to "Strand One" of the Brooke talks in 1992. A six member "Commission" for Northern Ireland was favoured, composed of three representatives from the North, elected under the STV system (effectively UUP, DUP and SDLP), a representative for each of the two governments and a European Commission representative acting as neutral arbiter - making the proposals a "bit easier for other people [ie - unionists] to accept" (43). The Commission would exercise executive powers in tandem with a North-South Parliamentary Assembly and an Anglo-Irish intergovernmental body, mirroring institutional arrangements at the EU level (44).

To a degree, this increasing articulation of nationalist aspirations in a regionalist, EU framework shifted the framework for ideological conflict in Northern Ireland, forcing Unionists to abandon rejectionism and to compete with the SDLP to define themselves as the more capable



ambassadors at the EU level. This was no less true of the Republican movement which also built closer ideological linkages between its position in the national conflict and its interpretation of EU integration.

When it first stood candidates in an EP election - in 1984 - Sinn Fein campaigned primarily on issues related to the national conflict, arguing that a Sinn Fein victory would undermine British authority and force the Dublin government into a fundamental reappraisal of its "disastrous, grovelling stance on the North". This remained Party policy into the 1990's as in its policy document, *Towards a lasting peace*, the Party argued that there was a considerable stock of goodwill in favour of Irish unification to be tapped at the EU level and proposed that the Dublin government should make greater use of this in pursuit of "national reconciliation" in Ireland.

In 1992 the Party leader appealed for an EU human rights Monitoring Group to be established in Northern Ireland and at the Party's Ard Fheis argued "the involvement of the British government in Ireland is a European issue" (45). In 1993 Sinn Fein representatives visited the European Commission and the Belgian Presidency in Brussels, calling for an enhanced EU role in the conflict and the following year the Party announced it would be setting up an office in Brussels, "heralding a change in the Party's approach to the EU" (46).

The Party became convinced that EU integration changed Britain's reasons for remaining in Ireland, and that it encouraged North-South integration (47). Concepts of EU-encouraged all-Ireland democratic economic management formed a central theme in the Sinn Fein *Submission to Initiative '92*, of November 1992 and were detailed in its policy document, *The economics of a united Ireland*, published in February 1994 which argued that "a united economy could increase wealth creation but without economic democracy it will create less wealth in fewer hands". Its 1994 manifesto developed this theme and the Party argued that without democratic North-South institutions, EU integration would create an "undemocratic island economy".



Hence, both Sinn Fein and the SDLP were beginning to fuse their aspiration to Irish unity with a positive aspiration to EU integration. In contrast, unionist politicians were vocal in their condemnation of 'interference' by EU institutions in the affairs of Northern Ireland, especially on North-South issues.

Throughout the 1980's unionist MEP's were active in complaining about the implications of EU policies for British sovereignty in Northern Ireland and pressed the European Commission to fund linkages between Northern Ireland and Britain rather than with the Republic. Any move towards a European framework was interpreted as, by definition, a move away from the UK framework and by implication, towards an Irish framework for political authority in Northern Ireland, in which unionists would be in the minority. EU integration was seen as "blurring the edges" of the union, muddying the otherwise clear waters of British sovereignty in Northern Ireland. Shifting the negotiating framework in the context of EU integration from a "purely Northern Ireland focus to a wider perspective - of the island as a whole or of 'the totality of relationships within these islands'" - was seen as contributing to this 'muddying' process and at worst "confused or devious" (48).

As with the SDLP and Sinn Fein, the two main Unionist Parties competed in linking their positions in the national conflict to the process of EU integration. The UUP saw themselves as presenting a positive vision of European integration as an inter-governmentalist process that preserved the individual national sovereignties of member states. Their manifesto in the 1989 European Parliament election praised the Thatcher government for having "aligned itself with Unionists" in her 1988 Bruges speech. It asserted that the EU was threatening "the sovereignty of our nation" and promised that the UUP candidate would "be safeguarding the integrity of the UK". Underlining this, its 1990 policy document, *Signposts to the future*, committed the Party to oppose any attempts to "further erode the role of our national parliament at Westminster".

The Party combined this hesitant pro-Europeanism with its own agenda in the national conflict. In 1993 the Party's support for the Maastricht Treaty



bought greater Conservative backing for the UUP integrationist agenda. The end to legislation by "Orders in Council" and the creation of a Select Committee for Northern Ireland at Westminster were stressed by the UUP leader in the Party's 1994 campaign material, while emphasising their ability to "develop contacts and friends for the Unionist cause" at the EU level.

On policy issues the Party argued for infrastructural investment that would build closer links to Britain, and initially it opposed improved linkages with the South. In 1981 for instance, Ulster Unionists on Fermanagh Council opposed cross-border projects regardless of their benefits for the border economy, projects that were largely accepted under the first spending round for INTERREG from 1990-1993. Ulster Unionists remained particularly vocal in condemning what they saw as a "takeover" of Northern industry by Southern interests. In 1991 John Taylor (UUP MP) condemned the acquisition of the Northern TSB by AIB; in 1992 Ken Maginnis (UUP MP) complained when the Department of the Environment awarded a road building contract to a Southern company; and in 1993 the UUP MEP, Jim Nicholson, condemned the acquisition of Northern dairy producers by the Southern-owned Golden Vale (49). At the same time the Party demanded that the North should be funded at the same level as the Republic - calculating that during the 1994-1999 funding period the EU would be providing £1960 per head in the South, largely due to the 'Cohesion Fund', while the North stood to receive only £760 per head.

Some Party representatives welcomed EU integration as effectively restoring the pre-1921 union, bringing Ireland "back under the predominant influence of the British Isles from which it had been separated for only seventy years" (50). This approach was formulated into a proposal for a "Council of the British Isles", presented by the Party leader at the UUP's 1992 conference and as the Party's favoured approach for 'strands two and three' of the inter-party talks initiated by Secretary of State Peter Brooke in that year. It was envisaged the Council would provide an overarching framework within which to manage Anglo-Irish and North-South relations through a British-Irish Parliamentary body and an Inter-



Irish Relations Committee. This all-Ireland Committee would allow Southern representatives from the Dail to consult with representatives from a Northern Assembly on a wide range of issues, but not making executive decisions over them, (this would be reserved for the Assembly and for the Dail). Consequently, such arrangements would be unworkable without Northern devolution and were made conditional on amendment of the Articles 2 and 3 of the Republic's Constitution. The proposals were rejected by the SDLP as they were seen as excessively minimalist - leading to DUP accusations of naivety. Despite this, they were further elaborated in 1993 (although they were made more firmly conditional on agreement to remove - not simply to amend - Articles 2 and 3) (51).

The DUP saw the EU as eroding national sovereignty and thereby undermining the border. Ian Paisley joined the EP as a "free and fearless Protestant and loyalist voice"; he was the first MEP to speak in the Chamber in 1979, to complain that the British flag was upside-down on its flagpole outside the EP building. Constitutional concerns were combined with a sectarian branding of the EU as a 'Catholic' institution: in 1984 the Party argued that Northern Ireland was "the last bastion of Protestantism in Europe and stands between the Vatican and her goal of a united Roman Catholic state of Europe"; in 1988 the Rev. Paisley attempted to disrupt the Papal address during an EP session, culminating in his being ordered out of the Chamber; and in 1992, in an interview, the Rev. William McCrea, DUP MP, looked forward to "the fall of the system, yes the EC and the fall of Romanism - read the 17th Chapter of the Book of Revelations. You get a wonderful view of the fall of Babylon" (52).

The Party fought the 1984 election with the slogan "the EC puts your pound in Dublin's pocket" and argued that a vote for the DUP was the best way of opposing "schemes which would ultimately lead to a united Ireland", clarifying that it was "opposed not merely to our terms of membership but to the very principle of membership itself". This was tempered somewhat by the need to participate in the EP to counter those "intent on Ulster's destruction" and to "milk" the funding regimes, although this was set in the context of religious metaphor and missionary calling - given that the "Roman Catholic nations" had come together in the EU, the DUP was



duty-bound to attend EP sessions, just as "Daniel, against his will, found himself in Babylon and raised a faithful and fearless voice there". The Party treated the 1989 election as a vote against Tom King - the Secretary of State responsible for the Anglo-Irish Agreement - and the 1994 election was treated as a "crusade" against the Downing Street Declaration. The Party condemned the "betrayal" of "giving to Dublin joint authority in shaping the future of Ulster" and labelled the UUP leader as a traitor and a "Judas" to the Protestant cause for supporting the Declaration and for agreeing to the creation of North-South institutions. Nonetheless, the Party had itself adopted a very similar position to the UUP in its policy paper, *Breaking the logjam*, in which it had also favoured a new North-South rapprochement and possibly the creation of North-South bodies once Articles 2 and 3 had been removed (53).

Parties linked to Loyalist paramilitaries - such as the Ulster Democratic Party, the Ulster Independence Movement and the Third Way/Ulster Nation - campaigned for an independent Northern Ireland, at least for the "loyal" parts of Northern Ireland, within the EU. Like the UUP, in countering the SDLP demand for a Council of Ireland, the UDA called for a Council of the British Isles - although these proposals were overshadowed by its *Planning for Doomsday* document, released early in 1994, in which it called for re-partition as a last resort for Loyalists, with expulsion, internship or "nullification" for Catholics remaining in the now fully 'loyal' Northern Ireland (54).

The Conservative Party in Northern Ireland also treated the 1994 election as a referendum on the national question. Contesting its first EP elections the Party committed itself to defending "Northern Ireland's position as an integral part of the UK, not just as a region of the EU" and argued that by virtue of its influence in the UK it would be more able to defend "Ulster's" interests than its Unionist rivals.

Overall, unionists tended to see the EU as a "trojan horse" (Hainsworth and Morrow 1993:10). There was an assumed monolithic unity of British sovereignty that in a sense could be punctured by the creation of EU institutions in which sovereign powers were exercised in tandem with



other states, including the Republic. There were widespread fears of the impact of EU integration on Northern Ireland's constitutional status, not unlike the fears exposed during the period of rapprochement between North and South during the mid 1960's. This raises the question of whether nationalist aspirations and the unionist fears were correct - whether in fact unionism would be fatally damaged "without the traditional estrangement from Dublin" (Lyne 1990:432). Liberal unionist politicians in the 1960's clearly did not think so - to their cost, leading to the emergence of the DUP and the collapse of Stormont.

Overall, as Northern Ireland politicians attempted to construct a consistency between their positions in the national conflict and the process of EU integration there was a marked degree of political divergence, jarring with the emergence of a limited regionalist consensus. There were similar developments in the Republic.

### *The South*

The Republic is the only member of the EU which makes a formal claim to the territory of another member state. This claim remained a "touchstone issue in Irish politics" - both in the South and in the North (O'Cleireacain 1983: 108). The state in the Republic was founded on the gains won by Irish nationalists and republicans - hence repudiation of the aspiration to Irish unity was simply "not a viable option for a state that is grounded in the legitimacy of Irish nationalism" (Guelke 1988:198). As clarified by the Supreme Court in 1975 and again in 1990, politicians in the Republic were obliged to work for Irish unity, but (as discussed in Chapter 8), this was rarely reflected in state policy though politicians in the Republic displayed a substantial ideological and rhetorical commitment to nationalist aspirations.

This reflected public attitudes to Irish unity in the Republic. While there was a strong tendency to equate the 26 County state with "Ireland", there was a firm - and recently growing - commitment to Irish unity, leading to the paradoxical growth in 'national' aspirations alongside a growth in



'regional' consciousness. This was demonstrated in a series of opinion polls conducted in the 1980's and 1990's (Table 7.4).

Table 7.4: **Aspiration to Irish unity in the Republic:**  
percentage of voters polled, 1983-93

	There will be unity in		General aspiration
	25 years	50 years	to unity
1983	39	42	76
1987	49	29	67
1991	30	56	82
1993	39	52	-

Source: MRBI and ICM, *Irish Times*, 22 April and 27 November 1991; *Independent on Sunday*, 12 December 1993.

As the *Irish Times* pointed out - "most people in the Republic live in hope of unity", combined with a growing reluctance to remove the Republic's constitutional claim on the North (55). In 1990 a majority (53%) was in favour of changing Articles 2 and 3, in 1991 this had fallen to 48%, in 1992 to 40% and 1993 to 39% (56). In a poll conducted by Maynooth College in 1992 on the question of political structures, the vast majority in the Republic favoured the creation of a single all-Ireland government - 75% viewing it as "desirable" (57).

But when it came to practical politics, as opposed to aspirations and hopes, there was little commitment to achieving unity in Ireland - people in the Republic may have had an emotional attachment to unity but were content to keep it as a remote possibility (58). Peace in the North and prosperity in the South were more important than Irish unity. In 1991 82% in the South were willing to postpone Irish unity to allow a peaceful settlement in Northern Ireland and in 1993 75% opposed tax rises in the Republic as a possible price for unity (59). Northern Ireland was seen as a peripheral issue in everyday political life, to the extent that in 1993, when the government was becoming closely involved in the Irish-British dialogue



on the North, only 1% of voters in the Republic considered that the national conflict was a "major issue" (60).

The combination of nationalist ideological commitment to a 32 County state and substantive, de facto commitment to furthering the interests of the 26 County Irish Republic led to North-South divergence both in terms of cementing the ideological divisions between the Southern nationalist and northern unionist communities and in terms the lack of substantive policy initiatives 'on the ground'. As a result, the concept of Irish integration in the context of EU integration proved to be a useful ideological tool, allowing reliance on non-political socio-economic shifts to deliver political change - thus permitting inaction on issues directly relevant to the conflict.

Irish nationalists had long expected or hoped that EU integration would undermine British sovereignty in the North. Entry into the EU with the UK sat neatly with the reformulation of Irish nationalism in the 1960's - from the agrarian populism of Eamon de Valera, to the technocratic anti-partitionism of Sean Lemass (Lyne 1990). Politicians in the Republic had a vested interest in preserving domestic tranquility and in distancing themselves from the Northern issues. Combining the pursuit of Irish integration with the pursuit of EU integration permitted an on-going rhetorical commitment to Irish unity, empty of practical initiatives aimed at 'winning over', or persuading Northern unionists of the merits of all-Ireland unity - either in terms of reform of the Southern state or in terms of building North-South linkages (Arthur 1985).

The formula of relying on EU integration to reduce the "economic differences that divide North and South" and also to free the South from dependence on Britain, thereby enhancing the self confidence of politicians in the Republic - was outlined as early as 1962, five years after the Treaty of Rome (Fitzgerald 1962) (61). When forced to develop a response to the intensifying conflict in Northern Ireland the Lemass government pursued this agenda, paired with the political conviction, as Liam Cosgrave put it in the Dail in 1973, that the "reconciliation between its two communities



cannot be brought about successfully in isolation from the larger issue of reconciliation within the island as a whole" (62).

This approach was detailed in the Taoiseach's Statement to the Dail on the question of EEC membership in March 1972, in which he argued that "if we were to remain outside the Community we would be conferring on the border the status of a frontier, both economic and political, between ourselves and the rest of Europe, thereby "copper-fastening" Partition" (63). Similarly, after the referendum on membership, the Taoiseach, Jack Lynch argued that as it was required to work towards an "ever closer union of the peoples of Europe" under the Treaty of Rome, the British government should take immediate action with the Republic to resolve the Northern conflict (64). These arguments were repeated during the 1987 referendum in the Republic, when the Minister of Finance in the Republic, Brian Lenihan, argued "nothing could be more calculated to secure the border" than a vote against the SEA, as it would consign the South to 'second grade' EU membership while the North, with Britain, would claim "first grade" membership (65). Again, in anticipation of a third referendum on the question of EU integration, in 1992 the government argued in its White Paper on the Maastricht Treaty that "within a closer European Union, the common interests of both parts of Ireland in so many areas of Community activity should become more apparent", helping "to create closer human links and break down barriers on this island" (DSO 1992c:32). A vote against European Union was therefore a vote for sharpened North-South divisions.

Most political parties in the Republic pursued this agenda, combining it with the expectation that EU integration would de-peripheralise the Irish economy - a "conjunction of the interests of the pocket with certain predispositions of the spirit" (Coakley 1983:64).

Fianna Fail, with its roots in Irish republicanism, was particularly keen to stress the unifying effects of EU membership. In 1990, Charles Haughey, the Fianna Fail Taoiseach, saw his personal ideal as "Irish unity as part of a wider European unity" (66). At the New Ireland Forum in 1983 the Party leader argued that "the existence of this artificially sustained economy has



prevented the fruitful development of the island as an economic unit". In 1989 he invited the Northern Ireland politicians to come to Dublin to discuss how the Republic could best work with the North at the EU level, in the best interests of the island as a whole, which, in 1990, was followed by his visit to the Northern Institute of Directors conference (discussed above in Chapter 6). Later in 1990, at the Party's Ard Fheis, he argued that "the Irish people will be united in a unified Europe" and announced that the Irish Presidency of the EU would be committed to giving special attention to cross border issues (67).

In an interview with the *Irish Times* he clarified that "the economies in both parts of Ireland are going to converge as the political, economic and financial barriers between us disappear", arguing that "this must have a political fall out" and suggesting "its not too romantic to think of a united Ireland as part of a united Europe" (68). In 1991 these themes were reiterated when he argued, during the Brooke talks, that "the EC offers us an entirely new context in which to seek political progress in Ireland [that would] soften and eventually eliminate the divisions of the past on this island" (69).

Partly because of this increased articulation of the Party's commitment to Irish unity in the context of EU integration, in the 1990's it embarked on a reassessment of its position on Articles 2 and 3. In 1990 it had opposed a Workers Party proposal to amend the Articles which had Fine Gael, Labour Party and Progressive Democrat support, on grounds that the proposal was inopportune rather than on grounds of principle (70). In 1993 and 1994, it announced that in the context of a peace settlement, Articles 2 and 3 could be amended to express a political aspiration to unity, rather than a legal claim on the North and the Party leader clarified that he was willing to propose an amendment to Article 3, making unity conditional upon consent being "freely given" in the North (71).

This tentative reassessment of Party policy on the question of unity was combined with an on-going assumption that EU integration would in some way deliver Irish integration. In 1993 for instance, Albert Reynolds argued that the EU would encourage "development links between the two



parts of the island", suggesting that "in the context of the Single Market there is immense scope and great opportunity for us to work together, North and South in a more friendly and civilised climate" (72).

In the early 1990's the Labour Party leadership also became increasingly enthusiastic about the impact of EU integration on Irish unity. In November 1993 Dick Spring, the Party leader outlined the "six principles" on which any settlement had to be based, which emphasised the need for separate Northern consent to any constitutional change in Northern Ireland (73). In general terms the Party argued that North-South institutions had to be established to express "the collective needs and economic logic of the island as a whole" and to "secure the confidence" of the Irish people before risking a referendum on Articles 2 and 3.

The EU had become a central factor in this framework for "peace and reconciliation" in Ireland - largely in terms of its ability to transcend the stark alternatives of unionism and nationalism. The process of building "one agreed nation for all", separating the Irish nation from state centred nationalism, in the context of a continuing British presence in the North, was seen as crucially conditioned by EU integration (74). In 1993, Dick Spring, the Party leader, speaking as Foreign Secretary, called on the EU to "bring its ideals to bear on a serious conflict within its borders" and in 1994, he looked forward to a "new Ireland characterised by partnership and cooperation", as nationalists and unionists were reconciled as "fellow citizens of the new Europe" (Encounter/BIA 1993:27).

Fine Gael politicians were less enthusiastic about the implications of EU integration for Irish unity, stressing that EU membership would stabilise North-South and Irish-British politics, leading to a normalisation of relations within Northern Ireland. The Party had traditionally supported the removal of Articles 2 and 3 and, as Garret Fitzgerald, former Party leader, outlined in 1993, was most centrally concerned with maintaining "security and stability" in Ireland, than with pursuing Irish unity (75). During his time as Taoiseach Garret Fitzgerald encouraged the EU not to remain aloof from the conflict and at the New Ireland Forum in 1983 the Party supported a greater EU role in encouraging reconciliation in Ireland



(76). In 1989 John Cushnahan, a Fine Gael MEP called for unity in Northern Ireland, founded on the ideals of Europe "so that old rivalries and bitterness can finally be forgotten" (77). Other Party MEPs saw the EU as a "logical continuation" of nationalist ideas as it was guided by the attempt to strengthen democracy where purely national democratic institutions had begun to lose control (78).

In the 1990's this interweaving of pressures for Irish unity with positions on EU integration was intensified. For instance in the 1992 Labour Party-Fianna Fail *Programme for government*, there was a heavy emphasis on "working for peace" in Northern Ireland founded on the New Ireland Forum formulation of unity by agreement and bolstered by regionalisation in Ireland as a whole (79). There was an emphasis on the rewards of enhanced North-South economic cooperation and the two Parties committed themselves to initiating programmes of action to ensure that Ireland, North and South, took advantage of the opportunities arising out of the SEM. It was this government, which combined socialist and progressive Labour Party traditions with the nationalist commitment of Fianna Fail, that was to build on the all-Ireland nationalist unity that had emerged in the 1980's, extending it to the Republican movement and to the new Democratic Presidency in the US, to build the political conditions for the cessation of military conflict in 1994 (again, see Chapter 8).

### *Chapter Conclusions*

EU integration brought some significant movements in the ideological positions of the main Parties in Ireland North and South, away from a focus on conflicts over 'national' jurisdiction and towards a debate on how best to meet the needs of the all-Ireland regional economy in the context of EU integration. This was cross-cut, in some ways undermined, in others reinforced, by an on-going commitment to ideological conflict along 'national' lines. The ideological tension that resulted forced some realignments in political positions in the national conflict, North and South in Ireland, with potentially significant implications



At the same time, as EU integration accelerated, it also challenged concepts of monolithic 'national' state sovereignty, to a significant degree transforming the ways in which sovereignty was being exercised. The implications of the resulting changes in public policy for the national conflict are discussed in the following Chapter.

## Notes

1. Richard Kearney writing in the *Irish Times*, 5 May 1993; Boyle 1991:69; similar sentiments were expressed in Kearney, 1988.
2. *Financial Times*, 16 November 1990.
3. He asked "where is Northern Ireland?" - to be informed that the North had acceded to the 1973 treaties as the "United Kingdom of Great Britain and Northern Ireland" while the Republic had acceded as "Ireland", Official Journal, 23 October 1980, C275/21, Written Question 680/80.
4. In the space of four years in the 1980's there was a significant increase in the proportion of both communities identifying themselves as 'northern Irish', from 11% to 16% for Protestants and from 20% to 25% for Catholics, Moxon-Browne, 1991:25-26.
5. In 1989 for instance, "northern Irish" identity appealed to 27% of Sinn Fein supporters, 24% of SDLP supporters, 14% of OUP and 10% of DUP supporters, Moxon-Browne 1991:29.
6. *Irish Times*, 5 July 1993.
7. House of Commons, *Direct Elections to the European Parliament*, (Command Report 6768, April 1977); Elliott, 1980.
8. This was partly due to the UUP decision to field two candidates in 1979 - John Taylor and Harry West, splitting the UUP vote, Smyth 1987:160.
9. *Irish Independent*, 14 October 1980; *Belfast Telegraph*, 18 September 1981; *Irish News*, 19 September 1984.
10. *Irish News*, 29 January 1992.
11. Journalists asking why the cooperative spirit at the EU level could not be extended to the break the political deadlock in Northern Ireland, were informed by the Rev. Paisley that this could only be done by the Province itself while John Hume argued that there was "no point in SDLP-DUP deal as it would exclude the two central actors in the conflict" - Britain and the Republic; *Belfast Telegraph* and *Irish Times*, 20 February 1988.
12. *Ulster Newsletter*, 7 January 1992; *Irish News*, 4 March 1992.
13. *Marxism Today*, June 1991.
14. *Belfast Telegraph*, 2 June 1989.
15. Glen Barr, formerly of the UDA, *Belfast Telegraph*, 22 February 1993.
16. *Irish Times*, 19 April 1975.
17. K. Maginnis MP, speech to the Cork Chamber of Commerce, reported in the *Irish Times*, 13 February 1993; Cllr Raymond Ferguson (UUP) quoted in the *Belfast Telegraph*, 16 March 1993.
18. *Belfast Newsletter*, and *Irish Times*, 22 January 1993.



19. The *Blueprint* also carried an appendix received from "three very prominent businessmen", which argued for "arrangements for enabling both parts of the island to develop a partnership on matters of mutual interest, on the basis of full equality and without threat to Northern Ireland's position within the UK". It was argued that "if a relationship of mutual trust were progressively developed, we would expect such a partnership as it proved itself, to become increasingly close".
21. Peter Robinson, DUP MP, quoted in *Financial Times*, 1 January 1992.
22. *Belfast Newsletter*, 4 June 1992.
23. *Eurobarometer*, Autumn 1992.
24. There was a 70% turn out and 17% voted against membership; *Irish Times*, 28 April 1987.
25. Garret Fitzgerald, writing in the *Irish Times*, 14 September 1991.
26. Ruane and Todd 1992a; *Belfast Telegraph*, 8 May 1990.
27. *Irish Times*, 24 May 1992.
28. *Irish Times*, 25 May 1992.
29. Logue H. (1992) *Submission to Initiative '92*.
30. Conlon B. (1990) Integrating: Europe, Ireland, *Fortnight* May 1990, 8-9.
31. Kearney R. and Wilson R. (1992) *Submission to Initiative '92*; *Irish Times*, 3 February 1992.
32. Cadogan Group (1994) *Blurred vision: joint authority and the Northern Ireland problem*, page 17, CG:Belfast.
33. Cllr William Ross UUP and Seamus Mallon MP, SPLP deputy leader quoted in the *Irish Times*, 17 March 1993; John Taylor MP, UUP, *Guardian*, 8 December 1993.
34. From the UUP, John Taylor, *Belfast Newsletter*, 31 December 1992; from the DUP, Peter Robinson, *Irish Times*, 9 February 1993; the Rev. Paisley, *Financial Times*, 14 June 1989; and Cllr S. Wilson, *Irish Times*, 2 April 1993.
35. *Belfast Telegraph*, 15 September 1982.
36. Significantly, as this was stressed by the DUP, the manifesto failed the mention the EP initiative on fair employment in Northern Ireland, initiated by John Hume, that was due to report to the Parliament soon after the election, *Irish News*, 12 March 1993.
37. *Financial Times*, 15 August 1988.
38. *Irish Times*, 10 February 1990; 19 November 1990.
39. *Irish Times*, 10 May 1993.
40. Dilating here refers to a process of expanding and widening. John Hume, *Subsidiarity and the role of the regions*, 9 December 1992, Edinburgh University.
41. *European*, May 25-7 1990.
42. *SDLP proposals to government on the preparations of the community support framework, 1994-1999*, March 1993.
43. John Hume speaking on *Northern Ireland: a place apart?* BBC Radio Four, 29 November 1992; *Sunday Tribune*, 8 November 1992.
44. *Irish Times*, 26 January 1993; 13 May 1992.
45. *Irish Times*, 24 February 1992.
46. *Irish Times*, 14 October 1993; *Guardian*, 7 December 1993; *Times* (London), 29 February 1994.



47. Mitchell McLaughlin, Northern Chair of Sinn Fein; *Guardian*, 5 April 1993.
48. The viewpoints here are drawn from *Northern Limits - the boundaries of the attainable in Northern Ireland politics*, a publication of the unionist orientated "Cadogan Group", comprising A. Aughey; P. Bew; A. Green; D. Kennedy and P. Roche, pages 11-19, 1992.
49. *Irish News*, 6 October 1981; *Irish Times*, 3 May 1991; *Belfast Telegraph*, 10 June 1992; *Belfast Newsletter*, 9 April 1993.
50. As John Taylor argued in 1992; *Irish Times*, 16 June 1992.
51. *Irish Times*, 12 October 1992; *Irish News*, 20 October 1992; *Irish Times* 2 February and 24 May 1993.
52. *Irish Times*, 13 July 1984; *Agence Europe*, 11 October 88; *Belfast Telegraph*, 12 October 1988; *Financial Times*, 4 January 1992.
53. DUP election material and *Irish News*, 31 May 1984; *Belfast Newsletter*, 12 November 1993.
54. See its submission to *Initiative '92* printed in *New Ulster Defender*, 1 April December 1992; *Guardian*, 17 January 1994.
55. *Irish Times*, 22 April 1991.
56. *Sunday Independent* IMS opinion polls, *Irish News* 14 April 1993.
57. In addition, 48% saw a federal Republic and 42% saw a North-South federation as "desirable", *Irish Times*, 10 June 1992; *Irish News*, 16 June 1992.
58. *Financial Times*, 11 May 1990.
59. *Irish Times*, 27 November 1993.
60. *Sunday Press*, 1 November 1993.
61. These ideas were more fully developed in the early 1970's with the publication of Garret Fitzgerald's *Towards a new Ireland*, which stressed that the Republic's and Northern Ireland's membership of the EU "may well prove to be the most important single factor influencing events in a positive direction [ie towards reunification] in the years ahead" (Fitzgerald 1972:103).
62. Dail debates 578, 9-8 May 1973.
63. Dail Debates, page 1923, 21 March 1972, Motion on membership of EEC.
64. Speaking at the Anglo-American Press Association, Paris, 18 October, 1972, Department of Foreign Affairs, Statements and Speeches, 5/72.
65. *Irish Times*, 16 May 1987.
66. *Financial Times*, 22 January 1990.
67. NIF(1983) *Reports of Proceedings*; *Irish Times*, 20 November and 21 November 1989.
68. *Irish Times*, 12 May 1990.
69. 22 April 1991; *Agence Europe* 14 March 1991.
70. *Irish Times*, 14 December 1990.
71. *Irish Times*, 8 April 1993; *Financial Times* and *Sunday Tribune*, 28 April 1993. Speech to the University College Dublin Law Society, 20 January 1994.
72. *Belfast Telegraph*, 26 November 1993.
73. *Irish Times*, 6 March 1993; the principles appeared to have popular support - as confirmed by an MRBI opinion poll *Irish Times*, 27 November 1993.
74. *Irish News*, 4 March 1993.



75. Fitzgerald, former FG leader writing in the *Belfast Newsletter*, 25 September 1993.
76. *Irish Independent*, 28 January 1983; NIF(1983) *Reports of Proceedings*.
77. *Financial Times*, 3 June 1989.
78. FG MEP, Chris O'Malley (1988) *Over in Europe*, Orchard Press: Dublin
79. *Irish Times*, 8 January 1993.



## Chapter 8

### Public Policy: states, regions and the European Union

This Chapter examines changes in public policy within Ireland, assessing whether there has been significant regionalisation on a North-South basis as a result of EU integration. As with the previous Chapter, it is divided into two parts - the first examining the pressures for North-South convergence and the second outlining the pressures for continued and in some respects, sharpened divergence between state policies North and South. In both these explorations - of 'regionalist convergence' on the one hand and 'national divergence' on the other - changes in public policy, North and South, are compared. The Chapter ends with an assessment of the overall tendencies.

EU integration has exposed the failings in the state administrations of both North and South and has altered the political context of the national conflict. This reflected tensions between the 'national' politics of states and the regionalist politics of some EU institutions and regional authorities which in Ireland sharpened into a deadlock - between the logic of the national conflict and the emergence of an "all-Ireland" economic region.

Although EU integration has most directly affected material interests and has had little direct impact on state structures, it has begun to legitimate demands for regional autonomy and started to open up new fields of regionalist political struggle in the regions, not least in Ireland. These various regionalising pressures are presented and then are set against ongoing North-South division centred on the two national states, before an assessment of the overall tendencies is attempted in the Chapter conclusions.



## *Regionalist Convergence*

This sub-section first examines the pressures from EU institutions for a thorough-going regionalisation of political power in the two states, the UK and the Republic. This is then complemented by analysis of similar pressures from EU institutions that have defined the national conflict, centred on British territory in Northern Ireland, as an EU concern and have encouraged the British state to work jointly with the Irish Republic in managing the conflict. This has forced issues relating to North-South regional convergence further up the political agenda in both jurisdictions, leading to some, albeit limited, adaptation of state policies. The impact of these pressures on state policy, North and South, are examined in the remaining parts of the subsection.

### *Regionalism and state structures: the UK and the Republic*

Despite being significantly more centralised than most other EU states, the EU integration process was having a regionalising impact on the UK and the Republic.

The UK state became increasingly centralised after EC membership but had remained regionally and nationally diverse - in some respects increasingly so. To a large degree, this reflected regional economic divergence within the UK. During the late 1970's and 1980's there was a quadrupling of unemployment disparities between UK regions - from an average gap between the highest and the lowest regional unemployment rate of 2.1% in the years 1959-76 to an average of 8% in the late 1980's (MacKay 1992). Partly reflecting this, groupings such as the Campaign for a Scottish, for a Welsh and, in England, for a Northern Assembly, argued that regional autonomy was urgently required to prevent sharpening peripherality in the SEM (European Dialogue 1993; Scott and Miller 1992). Finding greater opportunities for economic development at EU level, UK regional interests and perceptions were being transformed - particularly in areas such as Scotland, Wales, the English North and Northern Ireland which had



already experienced at first hand the impact of peripherality in the UK political economy.

Local, County and Regional authorities demanded greater regional autonomy and linked themselves to regional bodies elsewhere in the EU. Across the UK, from the Strathclyde Region to the "Western Development Partnership" in the South West, local government, in alliance with local interests and with the EU Commission, sought greater autonomy to determine economic and social priorities at the local level (Rose 1992). As has been mentioned, Wales actively sought to link-up with the "four motors" - signing agreements with Baden-Wurtemberg, giving legal guarantees for joint ventures, innovation and technology transfer (1) and Kent in the South East of England joined with Nord-Pas de Calais in Northern France and the three Eastern provinces of Belgium to form the "Transmanche" Euro region (2).

The associations of Scottish, Welsh and English authorities and the Local Government International Bureau successfully campaigned with the European Commission to ensure that UK representatives to the EU Committee of the Regions could not be appointed by central government - as the leader of the North West regional association argued - to prevent it from "stifling the voice of the regions" - and secured the only amendment to the government's Maastricht Bill in March 1993 (3). Building on this, the Association of Metropolitan Authorities proposed that a Cabinet seat be allocated to a Minister for the Regions and a Select Committee be formed to oversee the workings of local government, arguing for the "decentralisation to standard regions of as many government activities as possible" (4).

This redefinition of 'regional' and 'national' interests in the UK was actively encouraged by EU institutions. The EU Commission stressed regional as against 'national' interests in the distribution of EU structural funds and became a useful - and reliable - ally of the UK regions. Partly to compensate for UK centralism, as mentioned in Chapter 5, by March 1993 twenty four regional and local authorities from the UK had established representations in Brussels (5). As closer EU integration highlighted the



anachronisms of the UK political system, it "transform(ed) the regional problem from a merely economic one to a political and institutional one" (Bogdanor 1992:8): even the Government's own Audit Commission argued that the "without effective regional groupings the UK (would) lose out" in the SEM (Audit Commission 1991:40).

In response to pressures from the EC Commission for greater coherence in UK regional policy, regional planning groups were re-created by the neo-liberal Thatcher government in 1988, nine years after they had been abolished. In 1991 provision was made in the Planning and Compensation Act for local authorities to combine together in order to draw up regional plans; in 1992 the Department of the Environment began encouraging the formation of regional planning fora in each of the 'Standard Regions' (6); and in 1993 regional aid programmes were decentralised to inter-departmental committees based in new 'Standard Region' offices (7). At the same time, increased support for the Labour Party-backed 'Constitutional Convention' in Scotland and for the Scottish Nationalist Party, led to greater administrative devolution in the "taking stock" exercise in Scotland, under which greater powers were devolved to the centrally controlled Scottish Office and a consultative Grand Committee for Scotland was created, forging what the government called a "partnership for good" (8).

In the Republic EU integration also stimulated political debate on the lack of regional government. As elsewhere, EU encouragement of regionalisation highlighted the issue of regional autonomy as a socio-economic issue as much as a purely political issue. In 1987 the European Parliament adopted a report that highlighted the centralised structure of the Irish state and the need for regional bodies that could "promote their region nationally and internationally and stimulate the fullest use of the region's indigenous resources" (European Parliament 1987:8). In 1988 central government was forced, under pressure from the Commission as well as Parliament, to establish regional advisory bodies to oversee the distribution of EU funds, one year after Regional Development Organisations had been cut to save on travel expenses (9). These bodies were composed of the various "social partners" involved in drawing up



national economic programmes, "basically a forum for principal vested interests" rather than elected representatives (10). The exercise of 'partnership' under the 1989-1993 structural funds programme was "widely seen as window dressing" (Matthews 1994:49) and partly in response, a joint Commission and government process was established to oversee the participation of sub-regional units in the management of the Plan (11).

In 1993 there was considerable pressure on the Fianna Fail-Labour Party government to strengthen local government, to ensure that there was meaningful consultation for the second National Development Programme and these issues formed a central plank in its "Programme of Government" (12). In 1993, consultation on the 1994-1999 NDP with regional bodies and unrepresented "social partners" was conducted with some care to ensure that the Department of Finance did not impose its own existing priorities on the process. Western regions in particular, gained a higher political profile in this consultation process, to the extent that TD's, Senators and the local Church organised a campaign for "the West", based in Galway and visited the Commission in Brussels to put their case for improved funding for the region (13).

Despite state centralisation in the UK and the Republic the issue of strengthening substate democratic structures had become a key political priority in both jurisdictions. Policy implementation by EU institutions and the broader process of integration into the SEM were a major factor in this process of democratising and strengthening regional, county and city authorities.

#### *EU interventions and Anglo-Irish cooperation*

This regionalisation of politics, encouraged by EU institutions, also had direct impacts on the national conflict. The European Parliament and, to a lesser extent, the Commission, were increasingly able to define the conflict as not simply a 'domestic' issue for the British government to resolve, but as a matter of legitimate concern for all Europeans.



The conflict was seen as undermining Community ideals and as early as 1983 Commission officials described it as a "blot on the community" (14). From its first session, European Parliament questioned British policy in the North and from 1981 passed several resolutions critical of the British government. In the early 1980's these interventions intensified as the conflict escalated and in 1984 an EP Report identified Northern Ireland as one of the most serious problems facing the EU (European Parliament 1984). In response, officials from the Commission discussed the possibility of greater involvement and in the mid 1980's argued that a direct role for EU institutions "would offer a much better hope of a long term solution than anything which anyone has yet suggested" (Temple-Lange 1988:252).

These interventions were driven by a concern to remove the significance of intra-EU borders as part of the move to reconciliation in a Europe of federalised regions - rather than any specific concern to support Irish nationalism. In the early 1980's the Parliament passed several resolutions condemning breaches of the European Convention on Human Rights in Northern Ireland - for instance concerning the use of plastic bullets, the practice of strip searching, the use of supergrasses and the deterioration in prison conditions. But at the same time, in 1982, it urged the Republic to sign the European Convention on Terrorism to enable South-North extradition, arguing that "there can be no justification for the use of force against a democratic society" (15). It also, in later years, condemned IRA atrocities such as the Enniskillen bombing and welcomed the Anglo-Irish Agreement, as a step towards reconciliation between the two member states.

Such regionalist interventions in the judicial affairs of EU member states was consistent with other assertions of EP jurisdiction in relation to the conflict. The decision of the Political Committee in 1983 to overrule the objections of the UK COREPER and appoint Nils Haagerrup as an official Rapporteur on the political situation in Northern Ireland, granting him uniquely broad terms of reference, was informed by this determination to map out the Parliament's right to intervene on such issues. This defined the conflict as a matter of legitimate concern at the EU level, underlined by MEPs who argued that opposition to "interference in internal affairs is a



relic of the old and outdated traditional concept of national sovereignty" (this contrasted with the inter-governmentalist European Political Cooperation, where the topic had been a "taboo subject") (16).

This had significant effects on British-Irish relations as the 'macro-regional' EU institutions established a degree of international legitimacy for the Republic's position in the conflict (Keatinge 1991; Coughlan 1992). EU membership enhanced the Republic's international status and the Partition became less of a symbol of the South's subordination, instead becoming more a symbol of zero-sum British nationalism in the face of positive-sum Euro-regionalism (Guelke 1988:164). Indeed, direct political pressure from EU institutions encouraged the emergence of an "EC engendered trust" between the Irish and British governments and provided the practical basis for Anglo-Irish inter-governmental dialogue on the North - seen by both governments as an alternative to more extensive EU intervention in the conflict (17).

As early as 1977 meetings between representatives of the two states on the sidelines of the European Political Cooperation (EPC) and the European Council offered a private, multilateral setting for relations between the UK and the Republic. This gave the two states greater room for manoeuvre as neither were required to make "public affirmations of their government's respective position on the constitutional issue", in contrast with the bilateral framework which bound the states into a direct relationship in the glare of media publicity (18).

In 1985 this was formalised in the Anglo-Irish Agreement (AIA) - which institutionalised Anglo-Irish relations and defined the conflict as largely the concern of the two state powers. The agreement won widespread acclaim from EU institutions, which subsequently contributed to the "International Fund for Ireland", which had been set up by the US to improve community relations in the North of Ireland, including the border regions (19). As a by-product, ironically, the AIA de-legitimised any further EU attempts at directly intervening in the conflict (20). The two states had come to an agreement on how they would jointly manage it - as an issue of common concern, with the UK exercising sovereignty and with



the Republic entitled to protect 'its' minority in the North, in consultation with the UK government - thereby curtailing the directly political role of EU institutions. Partly as a result of this, after devoting "an unusual amount of time and energy" to the Northern Ireland issue in the early 1980's, from 1985 EU institutions maintained a relatively low profile of Northern issues (21).

More positively, exposure at the EU level had a direct impact on the management of the conflict, as the British Government was forced to take 'international opinion' into account - leading it into closer cooperation with the Government of the Republic (Rolston 1991). Under the Anglo-Irish Agreement the two states recognised that the conflict was an international issue involving the two states and the two parts of Ireland, as much as the two communities in the North (22). This partial relaxation of national state sovereignty in a multilateral, regionalist context broadened the range of constitutional options being considered by the two governments and by participants in the conflict - options that "offered some hope for reconciliation" - as the British Foreign Secretary put it in 1994 (23). In particular, joint government action to increase North-South integration, perhaps through all-Ireland institutions with executive powers, became more of a possibility, even in the absence of significant transfers of constitutional sovereignty (25).

This increased Anglo-Irish political cooperation to some degree succeeded in insulating Britain from directly political interventions by EU institutions. But it did not prevent interventions on socio-economic policy which in some respects encouraged the redefinition of Ireland, North and South, as a single EU region.

#### *EU pressures for North-South integration*

EU institutions highlighted Northern Ireland's socio-economic problems, legitimising and financing initiatives to hasten North-South socio-economic integration. Initially this took the form of simply providing extra funds for Northern Ireland. In 1981 MEPs emphasised that "the desire for peace is closely linked to living conditions and employment" and called for



special attention to be given to the region. The resulting report on regional development in the North received the support of all three Northern MEP's because, as the DUP MEP put it, it confined itself to "social and economic" issues rather than touching on the "political and constitutional affairs of Northern Ireland" (24).

This contrasted with the two Unionist MEPs' condemnation of the Haagerrup Report in 1984, which was seen as politically motivated and as stepping beyond the ambit of EP responsibility into the realm of state jurisdiction, constituting "a deliberate interference in the political and constitutional affairs of Northern Ireland" (25). The Report also attracted the opposition of the British Conservatives - to the regret of at least one of their number - Fred Catherwood. Partly due to this, the European Commission declined to adopt a directly political profile on the conflict and instead continued to offer "exceptional" EU expenditure for Belfast (26).

This pattern of offering economic support rather than exerting political pressure was repeated later in 1984 when the European Parliament welcomed the Anglo-Irish process and again called for more funds to be directed to the region, reflected in the "integrated rural development programme" outlined in the Maher Report of 1986 (27). Again, this Report failed to receive the support of Unionist MEP's, not for its recommendations but for its political content - in particular, its praise of the Anglo Irish Agreement. The UUP MEP John Taylor complained - "we need democracy in Northern Ireland, not outsiders interfering in our affairs" - a familiar theme, resting on a notional division between the realm of 'legitimate' EU responsibility in economic and social affairs and the 'non-legitimate' interference in political and constitutional matters (28).

But rather than offering a de-politicised, non-contentious avenue for EU involvement, these funding regimes themselves directly raised issues at the heart of the national conflict. Despite their insignificance relative to the British subvention, the distribution of structural funds highlighted the failures of UK policies in the North and, in the context of intensifying



concerns about Northern Ireland's prospects within the Single Market, legitimised the demand for North-South integration.

The issue of 'additionality' in particular, directly politicised the British - Northern Ireland relationship as central control of EU funds by Whitehall contradicted their intended role in serving regional interests (29). The NIO was accused of trampling over the interests of Northern Ireland in favour of what were defined as UK-wide 'national' interests and of taking an unchallenging and overly-technocratic approach to structural funds - especially when the 1989-93 National Development Plan failed to attract 'new Money' for Northern Ireland (30). The bulk of ERDF funds were used to finance infrastructure projects often already in the Northern Ireland expenditure plans (accounting for 24%) or were channelled through government quangos such as the Industrial Development Board (IDB) and the Local Enterprise Development Unit (LEDU). Most ESF finances were directed into existing government training projects managed by the Training and Employment Agency (84% of overall funds, comparing with 70% for UK). Most EAGGF funds were distributed directly by the Department of Agriculture and, from 1991, through the Rural Development Council. Similarly, between 1973 and 1987, over 80% of EIB loans went to public enterprises - such as the state-owned Shorts, Northern Ireland Electricity and British Telecom. Only rarely did locally controlled organisations obtain direct access to EU funds - Northern local authorities were responsible for 1% of all EU funded projects while in Britain they were responsible for 18% and the voluntary sector in the North gained access to 14% of ESF funds, in Britain this sector was responsible for 30% (NIEC 1992).

As the debate about additionality abated - in February 1992 the Regional Affairs Commissioner Bruce Millan stated he was "satisfied" with the additional impact of community aid in Northern Ireland" - the related issue of subsidiarity intensified. This focused attention on question of whether UK public expenditure priorities met the needs of Northern Ireland as a region in the SEM rather than simply as a region of the UK, or, more controversially, more often met the short term needs of the British state (31).



Agriculture provided the clearest evidence of this divergence in policy priorities between the UK government and Northern Ireland. British government policies reflected the relative insignificance of the farming sector and Britain's position as a net importer of foodstuffs. When the relatively powerful farming lobby in Britain pressured the government to respond to their needs, it acted in their interests, reflecting the commodity composition of British rather than Northern Ireland agriculture. This contrasted with government in the Republic - as the New Ireland Forum pointed out in 1984 - "the position adopted by Irish Ministers for Agriculture in relation to improved support prices under the CAP has been more helpful to farmers... in the North than the position adopted by the UK ministers" (32).

Northern Ireland farmers quickly became dependent on the Republic's efforts to shape the EU budget, a process of "free-riding" on EU concessions gained by the Republic (O'Cleireacain 1983). This was recognised by the European Parliament as early as 1981, when it argued that "the Republic of Ireland and Northern Ireland form a single economic unit in terms of agricultural production... [and hence] proposals relating to special measures for the Republic of Ireland should be extended to cover Northern Ireland". Concern at the lack of 'fit' between local interests and official structures, reinforced by a sense of political isolation in the North, stimulated interest in alternative routes' to Brussels - as a Northern farming magazine argued in 1984 - "second-hand representation simply does not work". Resentment at the UK government was only fueled by its refusal to match the Republic's level of support to dairy farmers - through the "milk quota" - preferring instead to allocate the quota on a UK-wide basis. The dispute remained unresolved as it raised the issue of distributing agricultural assistance on a basis of need rather than on a 'national' basis - an approach that the UK government had consistently vetoed in the Council of Ministers. The result in the North was a falling quota of milk output - amounting to a 6.5% cut in 1984 and a 10% cut in 1988, while in the Republic quotas rose by 4.6% in 1984, although in 1990 they fell 3.9% (33).



Partly as a result of a growing divergence between Britain and Northern Ireland, accompanied by increasing commonalities between Northern and Southern interests in Ireland, the conceptual divide between 'non-political' socio-economic intervention and more directly political forms of intervention became increasingly difficult to sustain and EU funding regimes became increasingly aimed at meeting the common needs of the island economy. Significantly, such political interventions could not be deemed to be "too political" by either member state as the EU institutions could claim they were under a direct responsibility to initiate and encourage North-South cross-border integration as part of the process of integration into the 'borderless' SEM.

This redefinition of Ireland as a single regional unit was first pursued by Irish Members of the European Parliament who in 1979 raised the issue of economic integration in Ireland and called on the Commission to distribute funds on an all-Ireland basis (34). From 1982 EU Commissioners highlighted the need for Ireland - North and South - to act together at the EU level and to draw up joint development plans that recognised the common needs of the two parts of Ireland (35). In October 1992 it was proposed that a joint EU development Committee should be established, based in Belfast, Derry and Dublin, working to an "Action Plan" to maximise the benefits of the EU for Ireland as a whole (this was never implemented) (36). In 1991, as the SEM completion date loomed, the Commission openly advocated the need for North-South institutions to address the political issues raised by closer economic integration; and in 1993 it proposed that there should be a specific North-South component to the structural funds programme in the two parts of Ireland (37).

This pressure was, to some extent, consistent with the two government's existing commitments. In 1976 the UK and the Republic had submitted requests for funds under the ERDF regulations to finance half of the cost of studies into the Derry-Donegall area, and under the EAGGF, to fund projects at the Mourne Fisheries and in the Erne catchment area. The two governments commissioned "Joint Studies" to assist them in the "special consideration of the totality of the relations within these islands", a joint steering group was established to manage the projects and ECU8m was



spent from 1979 to 1984 (38). European Parliament pressure helped to ensure that this was extended in 1980 and again in 1985, when the Council of Ministers agreed specific regulations to permit expenditure "to improve the economic and social situation in Ireland's border areas" - primarily in the tourist industry (39).

In all of these cases of cross-border assistance, the EU integration process provided the framework within which they could be agreed - giving a "fillip to cross-border cooperation" (European Parliament 1979). Where they required joint co-ordination, the programmes of expenditure were progressed through the Anglo-Irish intergovernmental committees set up in 1981 and from 1985, through the Maryfield secretariate of the AIA. In 1990 this funding regime was formalised on an EU-wide basis as a "Commission Initiative" aimed at assisting border regions - the INTERREG programme - which established a regular bidding and allocation mechanism that was said to have "unrivalled support" at the Council of Ministers. This further legitimised joint working on cross-border initiatives in Ireland, which was formalised in September 1991 with the creation of a North-South Steering Committee of civil servants and Commission officials under the aegis of the Anglo-Irish Intergovernmental Conference (40).

This shift towards treating North and South as one unit was not reflected in the Community Support Frameworks drawn up by the two governments for the period 1989-1993, despite the two regions being awarded "Objective One" status. Although the Commission began liaising with the two governments from the same office in Brussels, they devised their programmes separately and there was no attempt at cooperation or coordination. Throughout the entire funding period the allocation for INTERREG - which amounted to ECU76m for both North and South from 1991-3 - was not integrated with either of the governments' spending plans and in contrast with all other EU regions eligible for INTERREG funds, the money was allocated without information on which proportion would be spent in the North and which in the South (41). In contrast, in the plans for the 1994-1999 tranche of structural funds there were some moves towards



joint North-South action. In what follows these developments are discussed, first focusing on changes in state policy in the North.

#### *North-South convergence: Northern Ireland*

In Northern Ireland there was a partial but significant shift away from regional planning on a solely Northern Ireland or UK basis, towards greater consideration of North-South development issues. A key factor in this shift was the recognition that, in order to be effective, government priorities for EU funding regimes had to be developed in "partnership" with business, community, local authority and other social actors in Northern Ireland. The storm of controversy that was precipitated by the process of drawing up the 1989-1993 funding programme - mentioned in Chapter 6 - in which the Northern Ireland government was accused of flouting the requirement to act in "partnership" with regional groupings when drawing up ERDF priorities, contrasts with the relative consensus that had been built up around the 1994-1999 priorities.

The relative openness in the policy making process - in contrast with the closed process of drawing up wider public expenditure priorities in Northern Ireland - ensured that North-South dimensions were forced onto the agenda. Non-government, business orientated organisations played a key role in legitimising such an approach. In particular, the Northern Ireland Centre in Europe helped to organise two consultative conferences on the issue of structural funding - with the Northern Ireland Department of Finance and Personnel in December 1992 and with the European Commission in October 1993. At the first of these conferences the need to free the Northern economy from its slow-growth British neighbour was highlighted and it was argued that Northern Ireland had to build on North-South "complementarity" to exploit substantial, as yet missed opportunities for improving links within the "island as a whole" (DFP 1992:42). The benefits of such North-South coordination - as against pursuing similar objectives in separation - were seen as extending beyond the one-off benefits of infrastructure improvement, into the dynamic benefits of the "close and interactive synergy" of an island economy (DFP 1992:92). By placing Northern Ireland's regional development in a



transnational EU context, Northern Ireland was redefined as a region in the EU rather than simply as a region of the UK, making North-South, all-island development not just possible, but desirable. As the Northern Ireland Centre argued, at the second conference, integration into the EU "must necessarily pose the question of closer cooperation with the Republic of Ireland" - mapping out a new agenda for economic policy in the North that, strikingly, forced Government representatives to defend their record on improving North-South linkages (NICE 1993).

In the subsequent funding round Northern Ireland and the Republic both remained as "Objective One" regions, and more important, in terms of the distribution of the funds, there emerged a new interest in North-South development. In the 1993 Structural Funds Plan (SFP) for Northern Ireland, external cohesion, defined as cohesion with the Republic as well as with the wider EU, was identified as one of the three strategic objectives for economic development in the North, along with economic growth and internal cohesion. Given Northern Ireland's relative peripherality - which the Report argued was likely to sharpen with the completion of the channel tunnel - it was suggested that improved linkages with trans-European networks would be a key factor in the development of the Northern Ireland economy. These included improved networking "on a territorial basis" with the contiguous Southern economy, in order to reap the benefits of greater economic integration on "the island of Ireland", which required "a strategic framework... [to] take account of the benefits of developing and strengthening mutually advantageous linkages within the island of Ireland" (HMSO 1993:39-41).

This strategic overview of the Northern economy, in which linkages with the Republic were defined as a key element in the overall development package, was a significant new departure for the Northern Ireland government. Economic relations with the Republic had been acknowledged as an important issue since 1989 but they had been restricted to the funding regime under INTERREG and their implications had not been reflected in the overall framework for the 1989-1993 Development Plan. By 1993, in contrast, relations with the Southern economy had become a central element in the Programme's strategic overview.



This innovative strategic framework lost its lustre when translated into Operational Programmes. Relations with the Republic did not figure in the main programmes and instead were discussed in a separate Chapter that had been drawn up jointly between the two governments. This new Chapter on "Cooperation with the Republic" highlighted a number of general non-specific commitments and current activities and could be read as a self-congratulatory re-writing of history, in which both governments were seen to have pursued cooperation, assisted by the Commission.

Despite the high profile accorded to linkages with the Republic, commitments to North-South integration were not written into any of the "Development Priorities" or the "Operational Programmes", under which the bulk of the structural funds were allocated. Rather than specifying how such strategic, North-South issues would be addressed through the development priorities, the Plan simply stated that "all regional priorities may contribute" to the strategic theme of cross-border coherence (HMSO 1993:91). In practice there was no mention of the Republic in any of these priorities, beyond what had already been committed and within the sectoral programmes there was reference only to the familiar themes of the need for enhanced transport and energy links (42). Otherwise, it was left to the reader's imagination just how far these overwhelmingly Northern Ireland-focused priorities had any relevance for "cross border coherence".

The Single Programming Document (SPD) confirmed these suspicions. It made no mention whatsoever of the Republic - on transport, tourism, technological development or on training while on energy it highlighted the agreement to fund separate gas and electricity interconnectors to the UK. The only reference to the Republic was a picture of the *Fruit of the Loom* factory which showed the Donegall hills in the background and the only reference to the border areas was in relation to the INTERREG programme's provision for funds to improve water quality. Additional information on these initiatives, it was announced, would appear in a subsequent publication - a clear indication that INTERREG and relations with the Republic would be kept separate from the overall structural funds programme (HMSO 1994).



### *North-South convergence: the Republic*

In the Republic politicians had for some time been formally committed to supporting initiatives for North-South cooperation, primarily in the border areas. By 1992 this had broadened into an all-island perspective as, in the context of the SEM, the government announced its intention to focus on North-South economic relations - suggesting that "the costs of the current one island/two economy basis of operation in many areas will become a greater drag on economic progress" (DSO 1992b:32).

The Republic's 1989-1993 National Development Programme had only made cursory reference to cross-border, all-Ireland development. The need to stimulate indigenous industry was linked to the need for stronger North-South linkages - joint "mutually beneficial" North-South initiatives were seen as "essential to optimum economic development in the island as a whole" (DSO 1988:15). But, as, in practice, investment in indigenous industry amounted to IR£145.8m, contrasting with IR£263.8m spent on attracting overseas investment, concrete action was largely restricted to participation in the INTERREG programme which played a minimal, symbolic role in raising the profile of North-South development issues.

After the Report of the Industrial Policy Review Group, which stressed the necessity for policies to stimulate indigenous industry (the "Culliton" Report) and the government's Report on "Economic Cooperation on the island of Ireland in an integrated Europe" - both published in 1992 - it was widely anticipated that the 1994-9 Development Plan would more clearly address the need for indigenous development on a North-South, all-island basis (DSO 1992a, 1992b). In 1992 Mary O'Rourke, the Minister for Trade in the Republic, announced that cross-border schemes under the joint North-South Chapter in the NDP would be a high priority for the Fianna Fail-Labour Party government. Subsequently a government official confirmed that this approach was shaping government policy - stressing "we believe that, by pooling our limited resources in appropriate areas and developing an island-wide approach we can build on our strengths and maximise the gains for the two economies, North and South". More specifically, in 1993,



Eithne Fitzgerald - Junior Minister of Finance responsible for the NDP - stated that the Republic was committed to extending inter-departmental links to identify "areas where joint approaches or parallel actions can be mutually beneficial and to ensure insofar as possible that our development priorities are complementary" (43).

As a result, the Republic's 1994-1999 NDP attempted to elaborate possible North-South dimensions to most of the seven priority areas for structural funds investment. The industry Chapter for instance, included a subsection on joint working with Northern Ireland, identifying the need for joint product promotion, import substitution and research collaboration, while the 'human resources' Chapter proposed joint working on vocational education and training and on technology transfer (DSO 1993: 94). The government saw this and the joint North-South Chapter as a "significant cross-border element" but, as with the Northern Ireland plan, serious consideration of how such issues were to be addressed were postponed until the details of the INTERREG programme had been negotiated (44). Indeed, despite the government's announced intention to focus on developing indigenous economic muscle, the strategy of attracting overseas capital was still expected to require over half of the funding available for industrial grants under the Republic's NDP (IR£310m, with IR£291 allocated for indigenous industry), and was expected to yield a 9,000 growth in jobs, comparing with an 11,000 growth of employment within indigenous industry (DSO 1993:46). These plans were to be considered "in conjunction with" the Northern Ireland Plan, but it was not made clear exactly what this would mean for the funding programme (45). Moreover, in maintaining an externally orientated approach to economic development in tandem with attempts at stimulating domestically owned industry - a 'dual track' approach which dated back to the early 1980's - there was every possibility that on-going competition for sources of external capital would disrupt improved North-South co-operation.

Nonetheless, the limited attempts in the Republic and in Northern Ireland at integrating the two separate Development Plans was a new departure and signaled a possible sea-change in official economic orientations in both jurisdictions. Perhaps more important than its limited content, this



North-South joint working had significant symbolic effects, particularly in terms of legitimising practical *ad hoc* initiatives. In the early 1990's, for instance, building on a history of cooperation dating back to the early 1980's, the Northern Ireland Tourist Board and Bord Failte began cooperating in jointly financing a unified bookings system. Similarly, from 1990 cooperation between the four border Health Boards was intensified, leading to North-South information-sharing and joint procurement - saving St£4m in 1992 (46).

On transport, the Plan confirmed that the Dublin-Belfast road and rail links would be a "top" priority for investment (DSO 1993:108). The Dublin government had routinely ignored the need to improve cross-border transport links: the Republic's national expenditure plans and submissions for EU funding down-played North-South linkages while emphasising Dublin-Cork, Dublin-Wexford and Dublin-Galway transport links (47). In the 1989-1993 structural funds programme a feasibility study for improved rail links was completed but not acted-on as the Department of Finance had channelled EU funds into transport improvements for the Dublin suburban area. By 1989 the NIO had approved expenditure for the project, but it was only with the sustained pressure of Irish business associations - particularly the CII/IBEC and the CBINI, that funds from the Republic's 1993-99 funding programme were made available (48).

To some degree then, there was a shift in public expenditure priorities, away from a 26 County towards a 32 County perspective. To a degree the Northern government - and increasingly, its Southern counterpart - defined its policies in a North-South framework as, on the periphery of the EU, all-island socio-economic development was seen as offering a life-line for the two economies. EU integration had encouraged some movement towards policy-making on an all-Ireland basis but this process was depended on EU encouragement and, as outlined in Chapter 6, on pressures from business. Consequently, North-South cooperation tended to be piecemeal and disjointed and did little to disengage the North from the UK macro-economy. While there may have been some, limited regionalist adaptations of state policy on a North-South, all-Ireland basis, state policies remained focused on the separate 'national' jurisdictions. These counter-



pressures encouraging North-South divergence are discussed in the next sub-section.

### *National divergence: state policies*

In this sub-section state policies are examined to map out the extent to which Northern Ireland and the Republic retained nationally defined institutions and policies despite increased pressures to regionalisation. It first examines the overall pressures for national state centralisation in UK and the Republic and then focuses on specific constitutional conflicts between them where they meet in Ireland. This provides the context for a more detailed discussion of the pressures on state policy that push against North-South regional integration, first in terms of British policies in Northern Ireland, and second, policies in the Republic.

### *State centralisation: UK and the Republic*

The Republic and the UK are the among most centralised states in the EU and have been criticised periodically by the Commission on this count. As a constitutional monarchy, the UK state was founded on concepts of the sovereign power of the "Crown in Parliament" while in the Republic state authority was intimately linked to a popular, 'national' mandate, deriving its legitimacy from the "Irish nation" (Constitution, Article One). The concept of 'national' or 'Crown' sovereignty that dominated the politics of both countries was thrown into sharp relief by decentralising and federalising tendencies, which had become a central requirement of EU integration (Loughlin 1991). Consequently, the two states tended to act as constraints rather than as 'facilitators' in the regionalisation of state policy in the EU, and this had clear implications for Ireland, North and South (49).

In the UK the British Parliament governed with some administrative powers devolved to local authorities and to appointed administrative elites (Crick 1991). In the 1970's proposals to democratise the British system of government were shelved and throughout the 1980's and early 1990's there



was a progressive transfer of administrative powers from local government to centrally appointed 'quangos' or to Whitehall (50).

For the most part the UK state ignored the demands for regional autonomy, reflecting a fear of fragmentation in the heterogenous, multinational, multi-regional UK state - a fear of what the Secretary of State for Scotland called the "slippery slope" of home rule that concerned the power of symbolic images and rhetoric of the state as much as its institutional structures (51). Despite EU pressures, the UK moved closer to becoming an 'elective dictatorship', for instance dismantling the Scottish regions and many English Counties just as they were gaining recognition at the EU level (Bogdanor 1992). Clearly the concept of subsidiarity, written into the Maastricht Treaty - was an "an off-shore principle" that, as far as the British government was concerned, did not apply to the UK (52).

This was a particular problem in Northern Ireland where the political consequences of national conflict - the powerlessness of local government, the unaccountability of the Northern Ireland Office, and the priority ascribed to security policy sharpened state centralism and minimised the impact of EU institutions. In 1993-4 local government accounted for UK£194m - or 0.272% of public expenditure in Northern Ireland (53). In the early 1990's local government finances were supplemented by limited funding for community relations initiatives, councils were permitted to spend up to 2% of their income from rates on local economic development initiatives and were promised a greater role in the 1994-1999 EU structural funds (54). But these extra powers were at most minimal.

State centralism in the Irish Republic had a very different story. The 26 Counties had a population of 3.5 million - smaller than many EU regions such as Lombardy and Catalonia - while the UK population was 56.4 million; the Republic was built out of anti-colonial struggle while the British state was built out of conquest; Ireland has a written constitution while Britain's "unwritten constitution" was 'vested' in Parliament; people living in the Republic never demanded the right to secede from the Irish state while Britain was internally divided between regional and national groupings; finally, state centralism in the Republic was founded



on an ideological consensus around 'national' aspirations while the UK political consensus centred on the sovereignty of the "Crown in Parliament".

Many Parliamentary politicians in the Republic failed to see centralism as a political issue and like the UK, the Republic 'opted out' of the EU-wide tendency to devolve power to sub-state regions (55). Centralisation can be dated back to the 1960's when regional and local economic policies were increasingly vested in central authorities, a process that culminated in the 1969 Buchanan Report which recommended the removal of revenue raising powers for local government (implemented in 1977), thereby undermining the institutional infrastructure required to service indigenous economic development and to encourage backward and forward linkages between branch plants and the local economy (56).

The Republic has no elected regional authorities and local government is largely conducted through County Councils, whose chief executives were appointed by central government. There are a number of District Councils which, together with the Counties, have limited expenditure and exercised minimal local powers. Local authority expenditure stood at 5% of GDP or 11.3% of total public expenditure in 1990 and local powers were minimal as key elements of the local government system in the rest of the EU - social services, policing and education - were run at the 'national' level. These limited powers were themselves considerably weakened during the first tranche of 'programmed' structural funds, which was directly managed by the central Department of Finance. Ironically, these greatly increased central powers reinforced "the neo-corporatist nature of the state" and, perhaps not surprisingly, the Department resisted EP-inspired and Commission-led attempts at devolving these powers to regional levels (57).

Domestic pressures for greater devolution of state powers had little success. In 1990 the "Barrington Report" - drawn up by an Irish Commission of Enquiry into Local Government - compared Ireland with EU states, arguing that Ireland had "lagged behind with overly centralised institutions of government". The Report highlighted the abolition of rates in 1977 as the central factor in the declining significance of regional and local



government in the Republic. But the recommendations for strengthened local and regional government were not acted on as the Fianna Fail-Progressive Democrat coalition government could not agree on their implementation. In 1991 a local government Bill was introduced, ignoring the Barrington recommendations, giving local authorities the power to nominate to the regional bodies and to twin with other regions in the EU. Meanwhile, District Council elections were postponed indefinitely, pending resolution of the government's internal political differences. Nonetheless, as has been mentioned earlier, two years later the Fianna Fail - Labour government committed itself to examining the proposals, although the issue was again deferred and District elections were not held, as had been promised, at the same time as the European elections, in June 1994 (58).

State centralisation associated with these claims to absolute political sovereignty exaggerated divergences in political culture, North and South and was a key factor in perpetuating divisions in Ireland. Although the North's economic problems were often very similar to the South's and required joint responses, policy coordination was generally *ad hoc* or non-existent. There was no coherent Northern 'state view' on North-South cooperation across different government departments, there were few joint initiatives by the two administrations (Anderson 1994). This was exacerbated by competing state claims to territory.

### *Contesting territory: North and South*

The lack of significant North-South adaptation of state policy in both parts of Ireland was at least in part a product of the contestation of national state jurisdiction. The British government was committed to maintaining sovereignty in Northern Ireland. Under the 1800 Act of Union it was decreed that Ireland and Britain would "for ever be united into one Kingdom" (Article one). As outlined in Chapter 4, the 1920 Government of Ireland Act underlined this commitment, stating that the supremacy of the UK Parliament remained "unaffected and undiminished over all persons and things in Ireland and every part thereof" (Section 75). The post-partition Anglo-Irish Treaty recognised the Southern transition to



'dominion' status and decreed that Northern Ireland would continue to be governed under the terms of the 1920 Act (Article 12). This non-conditional constitutional guarantee set the framework for subsequent clarifications of Northern Ireland's status as references to the need for "consent" to constitutional change in Northern Ireland - first defined as the consent of Stormont in 1949 and later, from 1973, of the Northern populace - were initially seen as a means of strengthening the provisions of the 1920 Act and of confirming North-South divisions in Ireland (Mansergh 1981).

British claims to territory in Ireland were contested by the Southern state from when it became a Republic in 1937. Its Constitution stated that "the national territory consists of the whole of the island of Ireland.." and claimed "jurisdiction over the whole of that territory" (Articles 2 and 3). This claim was to be pursued by peaceful means as the Republic also committed itself to the "ideal of peace and friendly cooperation" and to the "peaceful settlement of international disputes" and hence - implicitly - to the need for Northern consent to reunification (Article 29) (59). The Anglo-Irish Agreement (AIA) of 1985, which recognised that "any change in the status of Northern Ireland would only come about with the consent of a majority of the people of Northern Ireland" (Article 1), expressed this *de facto* recognition of Partition (Coughlan 1992). At the same time, though, as noted earlier, politicians in the Republic were required to work for unity as a "constitutional imperative" (60).

Pressures from the EU institutions and intergovernmentalism at the EU level encouraged reconciliation between the two governments, often, ironically, at the cost of North-South relations. As outlined in Chapter 7, reconciliation was founded on mutual recognition of the need for Northern consent to any political change, encouraging Southern politicians to postpone the pursuit of North-South unity and reinforcing the necessity for the unionist community to hold onto its numerical majority in the North. In this context, indications that the Republic was willing to consider revisions to Articles 2 and 3, to be presented as part of a wider package of measures to create structures promoting "reconciliation between the two traditions and North-South cooperation" were greeted



with some trepidation, particularly within nationalist communities in the North where the constitutional commitment has "enormous emotional significance" (Donoghue 1993:18).

Primarily because of these competing claims to sovereignty, but also exacerbated by state centralisation, attempts at establishing limited contacts with the Southern administration under the auspices of the Co-ordinating Committee of the Anglo-Irish Intergovernmental Council (AIIC) were instantly politicised, primarily by Northern Unionists concerned that such contacts would undermine British sovereignty in Northern Ireland. When questioned by unionist members of the Northern Ireland Assembly, for instance, the Permanent Secretary at the Department of Finance and Personnel insisted that they were a routine matter and were "along the lines of similar arrangements between member states of the European Community" and hence were no cause for alarm: unionist politicians remained opposed arguing that "economic cooperation is being used as the first stage on the way to... political cooperation" (61).

Despite these concerns, by 1988 the AIA inter-ministerial councils had agreed a programme of joint meetings with the Commission and civil servants to draw up cross-border projects, joint meetings which were later used to manage INTERREG expenditure (62). This inter-ministerial control of EU funding programmes, aimed at excluding Northern Nationalists and Unionists, was linked to greater intergovernmental cooperation under the AIA and was in clear breach of Commission funding regulations established in 1988 which stated that funding programmes should be devised and managed in close "partnership" with "authorities", designated by the member states "at the national, regional, local, or other level" as well as with the Commission (63).

This plainly did not occur in Ireland, where attempts to 'depoliticise' North-South cooperation in the border areas, keeping it in the hands of the two governments, directly led to the exclusion of local community groups and local politicians from the process of determining priority projects or of managing EU expenditure (O'Dowd *et al* 1993). Such control stifled North-South linkages, ensuring that they were restricted to playing a symbolic,



legitimising role rather than meeting the urgent needs of the single island economy.

#### *North-South divergence: Northern Ireland*

The increasing "Irish dimension" of British administration in Northern Ireland in the early 1990's was combined with various British government announcements in the early 1990's appeared to signal a "a major change of tone" in the British position and, reflecting a "deep seated desire to have less and less to do with Northern Ireland" (64). In November 1990 the Secretary of State - Peter Brooke - declared that Britain had no "no selfish strategic or economic interest" in Northern Ireland and two years later, in December 1992 there was acknowledgement of nationalisms' legitimate aspirations and grievances, coupled with a recognition that the British record had not always been exemplary. The British government more clearly defined itself as an impartial "facilitator of the expression of democratic will in Northern Ireland", suggesting, as the Secretary of State pointed out in July 1993, that the "challenge and the task for the nationalists in both parts of Ireland is to work towards winning the consent of the unionists", not to persuade Britain to leave (65).

This formula was clarified to the IRA during secret negotiations in 1993 and was probably a major factor in securing the ceasefire (66). In its statements the government cast itself in an open-ended role of facilitator for reconciliation in Ireland stating that it had "no blueprint". This stress on comprehensive agreement - "the totality of relationships in these islands"- set the context for its assertion that Britain would "continue to uphold the union" as long Northern consent to constitutional change was lacking, suggesting that a range of measures, perhaps including North-South institutions, could be progressed a part of a general process of reconciliation in Ireland as a whole (67).

In wider negotiations, during interparty talks on the North in September 1992, British government proposals on North-South institutions were leaked which distinguished three approaches or "models" for North-South bodies: cross-border "middle ground" institutions; "transcending" all-



Ireland institutions; or institutions "integrating" the two jurisdictions - which could be responsible to both the Irish and British governments - or to a nominated North-South executive. The proposals were blanketed in the EU context and, as the document stated, they were aimed at encouraging an "agreed Ireland" and at "optimising the benefits of the EC framework for the two parts of Ireland". Initially UUP politicians were "favourably disposed" to the proposals until the end of 1992 when Jim Molyneaux joined Ian Paisley in demanding that there should be no talk of North-South institutions until the Republic had revoked its territorial claim on the North (68).

The British government was immediately isolated and once unionist politicians had linked progress on the issue to wider constitutional issues, it quickly asserted that such proposals would have to first be agreed by Unionist politicians. The Northern Secretary of State remained convinced that "once people start to see what can be achieved by way of better cooperation without in any way diminishing the position of Northern Ireland in the UK, then I think fears dissipate and they take heart and they say that wasn't bad!". But despite governments pledges with the breakdown of the talks that they would improve North-South policy co-ordination through the Anglo-Irish process, they appeared unwilling to take substantive steps until a firm decision-making framework had emerged (69).

Similar confusion over whether North-South socioeconomic institutions presented a threat to British sovereignty or were purely 'functional' and could be progressed independently of a wider agreement, surfaced during the Reynolds - Major talks in Autumn of 1993. The British government proposals embodied in the "Focus and Direction" document presented to the Irish government in September of 1993 contained a commitment to establishing North-South institutional structures to manage the regional economy, which the Secretary of State believed would "not impinge on the sovereignty of Northern Ireland" (70). The "Downing Street Declaration"-issued in December 1993 - provided an explicit commitment to promote North-South cooperation at all levels and made it clear that such cooperation could be progressed regardless of whether an agreement to end



the conflict was reached - arguing that "the development of Europe will of itself require new approaches to serve interests common to both parts of Ireland" (71).

But these ostensibly non-political North-South institutions and the broader development of the North-South relationship were once again made conditional upon Unionist consent in the British government's subsequent attempts at clarifying the Declaration (72). Jim Molyneaux claimed that he had had an effective veto on the Declaration, filleting out its substantive mechanisms, making it more a declaration of principles than a framework for reconciliation (73). In February 1994 the Secretary of State argued that North-South institutions could "help transform the relationship between nationalists and unionists" but stated that only with the agreement of Northern Unionists could they "take on an increasingly dynamic role on the island" (74). In response, somewhat predictably, Unionists voiced "unalterable" opposition and intensified their hostility, stating that they would oppose the creation of all-Ireland institutions 'on principle', regardless of any amendment to the Republic's constitution.

Further illustration of British ambiguity on the question of North-South structures was to be found on the question of the "union" itself. In part this reflected the need to win UUP votes in the House of Commons - John Major's "Shotgun Marriage" with Jim Molyneaux (75). But government pronouncements on the status of Northern Ireland appeared to be more genuine than purely tactical - particularly as UUP support was guaranteed given the Labour Party's position on the national conflict at that time (76). Significantly, the Prime Minister argued that the Downing Street Declaration provided "an unambiguous acknowledgement by all concerned of Northern Ireland's status within the UK", he described himself as "4 square behind the Union" and explicitly ruled out devolution as a step on a slippery path to break up of the UK, arguing that "the Union is vital for all parts of the UK" (77).

In more concrete terms, British government security policy continued to take precedence over any concern to assist the process of North-South integration. As an official of the Northern Ireland Office outlined in 1993,



social and economic policies in Northern Ireland were designed to "complement and reinforce" the security strategy (Bell 1993:27). This was an important theme of North-South politics and was sharpest in the border areas which were described as "something of a test case in assessing the links between national sovereignty and territorial sovereignty" (O'Dowd *et al* 1993). Indeed, as EU integration accelerated the border was further fortified, serving as a 'national' barrier rather than as a regional contact-point between British and Irish jurisdictions (O'Dowd and Corrigan 1992). Yearly expenditure on fortifying the border was more than doubled in the late 1980's - to St£30-35m per year until 1995, totalling St£160m, spent on 229 new installations (78).

A dualism between regionalist policies and 'national' territoriality had emerged in British state policy in Ireland. The British government had adopted a policy of accepting the need for some form of regional integration on an all-Ireland basis while at the same time maintaining what were defined as the core elements of British sovereignty in Northern Ireland (79). This became a constant theme of North-South politics as "at every step of consideration of economic integration, the security and political situation in Northern Ireland is seen as a major obstacle" (O'Donnell 1993a:39). This reflected the continuing logic of British state sovereignty in Northern Ireland, the absolute priority accorded to 'security' related issues, and the perceived necessity to hold the 'union' together in the face of potential fragmentation (80).

But at the same time, the necessity to maintain coherence in this internally contradictory set of policies forced the British government to redefine the concept of unionist consent. In 1985 it had insisted that such consent was not necessary for the creation of Anglo-Irish consultative structures and in 1992 had suggested that such consent was not required for North-South economic institutions. This position was formally established with the Downing Street Declaration in late 1993, which signalled a tentative "creeping confederalism", challenging "old ideas of Britishness" with direct implications for the conflict and also for the rest of the UK. Although this again was cross-cut by later clarifications that such structures would be subject to a referendum in the North (81).



### *North-South divergence: the Republic*

Despite being an enthusiastic advocate of North-South integration, the Republic was prepared to make few practical concessions to improving North-South linkages. In many respects state interests in the Republic diverged from UK state policies and there were considerable policy divergences between North and South.

The Irish government failed to associate and work with other peripheral, small economies within the EU, including Northern Ireland. In spite of some *ad hoc* cooperation with the 'cohesion group', it did not want to be associated with "that peripheral riff-raff" (82). Irish politicians tended to aspire to membership of the the "core" group of Germany, Italy, France and Benelux: as Charles Haughey put it - "to be safe in the middle of the pack" (83). This was partly motivated by a desire to further loosen dependence on the British economy. It also stemmed from a desire not to be defined as a 'peripheral' economy in the Single Market (84). This North-South divergence was exacerbated by administrative centralism as state policy in the Republic was aimed at meeting the immediate requirements of state rule rather than at addressing the needs of the EU periphery or the future of the all-Ireland economy (85). As noted earlier - "the priority... to achieve security and stability" took precedence over the aspiration to Irish unity and specific policies were orientated to the needs of the Republic of Ireland electorate rather than the needs of the island as a whole, as a result (86).

Of the wide range of issues that illustrated these tendencies, cross-border trade and exchange rate policy were perhaps the most significant. From 1979, with Ireland's entry into the European Exchange Rate Mechanism, the Punt shadowed the Deutsch-Mark rather than Sterling - thus creating potentially significant price differentials between Northern Ireland and the Republic. In response to the increase in cross border shopping, from South to North in April 1987, the government imposed restrictions, under which travellers were not entitled to a duty free allowance for journeys out of the Republic lasting less than forty-eight hours. This had the immediate effect



of cutting retail sales in Northern Ireland by some 6% and increasing sales in the Republic by 2% thus safeguarding jobs in the border areas and raising exchequer revenues by some IR£100m per year (Foley and Mulreany 1990; Trimble 1989a:40). The restrictions were declared to be in contravention of the 1987 Single European Act by the European Court in 1990 - but were maintained in amended form by the Republic's Fianna Fail Minister of Finance - Albert Reynolds - to win votes in the border constituencies (87).

The ambivalent attitude to addressing issues of North-South regional development was most clearly illustrated in the public debate that followed the collapse of Sterling and its departure from the Exchange Rate Mechanism in October 1992 (88). The Irish government's determination to maintain the value of the Punt within the ERM reflected the aspiration to membership of a German-led 'core' monetary union, intermingled with hopes of gaining enhanced independence - for the 26 Counties - from the declining UK economy. The Republic therefore was heavily committed to the ERM and to EMU, regardless of the consequences for North-South relations in Ireland - as reflected in the Taoiseach's confident assurance in 1991 that "Ireland will be in a position to move to stage three of the EMU with the first groups of countries" (89).

In 1992-3 this led to a five month battle to maintain the value of the Punt, which saw the Irish government "nail its colours to the mast" of the EMU. From the moment that Sterling left the ERM in October 1992, falling in value by some 20% over three months, market speculation placed the Punt under enormous downward pressure. In the ensuing struggle to maintain the currency's value, the government introduced a range of measures: IR£50 million was spent compensating companies exporting to the UK (mostly Irish owned); IR£24 billion was spent by the Treasury buying Punts on the exchange market; and interest rates were increased to 15% to attract funds into the Punt. These attempts were frustrated as speculators forced the Irish currency back into closer parity with Sterling - leading to a 10% devaluation and allowing a 9% reduction in the interest rate in February 1993 (90).



Even after the Punt had been "kicked out into the doghouse with Sterling" Bertie Ahern, the Finance Minister insisted that although "we are on the periphery, we have to keep pushing" and Brendan Halligan Head of the Institute European Affairs in Dublin maintained that "the more the community integrates the more we move towards the centre" (91). The former EU Commissioner, Chair of the Allied Irish Bank, and soon to be GATT President, Peter Sutherland, returned to the familiar themes of the need to de-couple from Sterling, to "accelerate diversification" from the British economy and "aspire to the fast lane" of currency union in an EU currency area of low interest rates (92).

But others were more sobered by the experience. The Foreign Affairs Minister Dick Spring described it as a "chastening experience" and voiced "deep disillusionment with the failure of EC solidarity" (93). This reflected a growing awareness of Ireland's peripherality in the EU - as one Irish MEP put it - "access to the benefits of the SEM for Ireland is like access to the most expensive Dublin hotel for all the Irish people" (Higgins 1992:63). In effect, the aspiration to membership of the 'fast lane' of integration - leaving Northern Ireland to languish in the 'slow lane' with the rest of the UK - was frustrated by the perception in EU finance ministries and central banks, that the survival of the Punt was of relatively minor importance in the ERM and that the Irish economy was, in any case, still tied to the UK economy.

Sections of the Irish press acknowledged that the EU integration process had strengthened the 'core' relative to the 'periphery': "by joining the rich man's club we hoped to become rich" (94). There was growing recognition that the "buckets of Euromoney will only keep us in our place" and that "the ironic result of greater unification in Europe would be to make us even more marginal" (95). Integration into the SEM confirmed that the Republic - along with many other regions in the EU - was on the "outer periphery" of the SEM and it highlighted the need to maximise Ireland's indigenous economic potential (96). This translated into an increasing "refusal to accept a outward orientated and exploitatitive model of dependent development" and was reflected in an increased awareness of



the effects of Southern policies on North-South divisions (Munck 1993:149).

From 1983, with the publication of the NESC Telesis Report (NESC 1983), successive National Plans in the Republic had promised a new emphasis on indigenous industry, but as the Culliton Report pointed out ten years later this had failed to materialise (DSO 1992a). By 1994, with the 1994-99 National Development Plan there was an increased emphasis on the need to invest public funds in indigenous industry coupled with a new acceptance of the necessity to involve regionally representative bodies in the process of regenerating Irish industry and a new recognition of the necessity to maintain and extend linkages with the Northern economy (97). As argued by the Taoiseach in November 1993, "in the context of the Single Market there is immense scope and great opportunity for us to work together North and South in a more friendly and civilised climate" (98).

This increased recognition of North-South issues had clear implications for economic policy, for the emergence an 'all Ireland' regional economy, shared with the North and, crucially, for political institutions to express this. In November 1993, during discussions with the British government over their response to the Hume-Adams proposals it became clear that the government in the Republic was seeking to create an "institutional framework for practical and effective North-South cooperation and coordination" with executive powers that would be "the instrument for developing an integrated approach for the whole island in respect of the challenges and opportunities of the EC" (99).

Overall then, to a degree, state policies in the Republic were undergoing some shifts towards a range of policies more orientated to the needs of indigenous industry based at the sub-regional level and at the all-Ireland level. But as in the UK, these shifts were piecemeal and failed to meet the demands of the business communities North and South and were undercut by a continued commitment to separate development. As illustrated by the limited - and belated - shifts in public expenditure programmes and economic strategies, state policy reorientations were centrally dependent upon continued policy development at the EU level



and on lobbying by the business community, North and South. Clearly, a more effective North-South state response to regional integration desperately required stronger institutional guidance.

The Republic had seen EU membership as a means of gaining greater autonomy from Britain - a strategy that was primarily aimed at serving the interests of the 26 County Republic rather than meeting the objective of North-South unity. As the Republic's accession to the ERM demonstrated, the pursuit of such autonomy and the economic benefits it implied, generally over-rode any legal or constitutional responsibility to enhance all-Ireland unity (Laffan 1983). Southern governments were reluctant to give priority 'to the future citizens of a united Ireland at the expense of the electorate of the present day Republic' (Lyne 1990:430). Indeed, the more that politicians in the Republic were conscious of the immediate needs of their electors and the more they sought autonomy from the UK within a EU setting, the greater the division between North and South.

### *Chapter conclusions*

North-South socio-economic integration urgently needed political direction. The more ambitious proposals for policies to create a 'synergy' of economic interests in order to exploit the more dynamic opportunities offered by the SEM required political leadership. Defining economic policy for the island as a whole required accountable North-South decision-making structures. Instead, since 1986, North-South initiatives had been fed through the AIIC and non representative quangos such as the IFI, thus surrendering authority on North-South issues to unelected officials and in the last resort, to private business. Partly as a result, adjustments to the policies of the two governments remained largely piecemeal, were contradicted by 'national' macro-economic policies and were stalled by over-centralised administrative structures, North and South.

But, as the costs of maintaining North-South divisions escalated - in terms of opportunities lost as well as in terms of the existing commitments and as the two governments conceded the need for mutual compromise



between the states' constitutional claims - it became possible to conceive of new institutional frameworks which could supersede the current, stunted constitutional arrangements. Indeed it was on this basis that the British government floated proposals for a partial transfer of authority to all-Ireland economic institutions during the talks process in 1992 and that the SDLP in the North, the Irish Labour Party - Fianna Fail coalition in the South and sections of the British Labour Party argued for joint Irish-British responsibility for the North as the political expression of common interests on the 'island of Ireland' (O'Leary *et al* 1993).

For the Republic the key issue was not so much whether it should postpone socio-economic aspirations in favour of political aspirations; but rather whether the process of pursuing its objectives within a 26 county framework would become consistent with the process of strengthening all-Ireland unity. The phase of EU integration in the early 1990's began to have this effect, leading politicians in the Republic to recast 26-County state policy in a 32-county mould. Meanwhile, as British state policies in the North were placed in the context of increasing demands for North-South economic integration, there was a limited, but nonetheless significant, "redefinition of Britishness", embodied in the Downing Street Declaration and tentative moves towards building stronger North-South linkages (101).

## Notes

1. *Independent on Sunday*, 13 June 1993; *Financial Times*, 10 January 1992.
2. Cochrane 1993; *Financial Times*, 18 June 1993; *The Planner*, 27 November 1992.
3. The LGIB explicitly drew on the experience of other EU states in its campaign. See LGIB Press Releases, 20 July 1992 and 30 October 1992; House of Commons (1993) *The Maastricht Debate: the Committee of the Regions*, House of Commons Library Records Paper 93/9, 28 January 1993; ACC (1992); *Local Government Chronicle*, 8 May 1992; *Guardian*, 9 March 1993.
4. *Municipal Review and AMA News*, March 1993, 266.
5. *Guardian*, 27 February 1992 and 2 March 1992; *Telegraph*, 5 March 1993.
6. HMSO (1992) *The Functions of Local Authorities in England*, Department of the Environment, Local Government Review. Examples include the North West Regional Association; SERPLAN; West Midlands regional Forum; Yorkshire and Humberside Standing Conference; East Midlands Regional



Forum; the Western Development Partnership, HMSO (1992) *The Functions of Local Authorities in England*, Department of the Environment Local Government Review.

7. *Financial Times*, 5 November 1993.

8. HMSO (1993) *Scotland and the Union*, March 1993.

9. Laffan 1989; *Irish Times*, 28 October 1988; Statement to the Dail by the Taoiseach in December 1988, DSO (1989) *Developments in the EC*, Report 33, page 83, January 1989; *Irish Times*, 5 December 1988.

10. Tom Barrington, Director of the Institute for Public Administration, Dublin, writing in the *Irish Times*, 5 December 1988.

11. Most of the funds were channelled through the Department of Finance and regional working groups had little access to the sectoral review groups at the national level and their plans were never presented to the Commission (Walsh 1993). Dissatisfaction with the Plan was expressed through the Community Workers Cooperative, based in Dublin, which in October 1989 presented a petition to the EP condemning the Republic's NDP, later in 1989 drawing the conclusion that "it is not deemed to be in the interest of the state to allow any power to be devolved to the local level", CWC 1989:3; DSO (1991) *Developments in the EC*, Report 37, page 55, January 1991.

12. Later in 1993 there were complaints that the proposed regional bodies would not be directly elected but would be composed of local Councillors nominated from County and City authorities which would make them "no more effective" than the pre-1987 RDOs. This demonstrated how the process of regional planning had risen up the political agenda, *Irish Times*, 8 January 1993.

13. *Irish Times*, 6, 7 and 8 April 1993; *Irish Times*, 2 June 1993.

14. In the words of Commission Vice President Tugendhat in a speech delivered at Queen's University on the tenth anniversary of British and Irish membership of the Community, 25 January 1983.

15. National criteria on 'political' and 'non-political' crime were seen as a hangover of "old nationalistic concepts". The motion agreed by the EP requested that the Commission consider introducing measures to increase "mutual assistance in criminal matters, the compellability of witnesses, the taking of witness statements and the transfer of prisoners". Revealingly, it was felt that such measures were needed as "stronger agreements" were required in an EU without internal borders. See European Parliament 1982:28-29.

16. European Parliament debates, Bangemann 1-312/165; the Report argued that Northern Ireland "is, and always has been a constitutional oddity" - in terms of political sympathies, administration and political practice. European Parliament 1984; Hickman 1990.

17. *Irish Times*, 17 October 1988; *Financial Times*, 17 August 1986 and 16 November 1990; *Agence Europe*, 4206, 18 November 85; See also Fitzgerald 1991:478; Loughlin 1991.

18. Guelke 1988:162; Agreed Communique, September 1977, DSO.

19. *Irish Independent*, 16 November 1985.

20. As Lady Thatcher disclosed in her memoirs, "the international dimension became easier to deal with", *Irish Times*, 18 October 1993.



21. Gallagher 1985; *Guardian*, 26 July 1993.
22. As the British Foreign Secretary stated in 1985, "no sense (could) be made of the politics of Northern Ireland within the confines of Northern Ireland", speech to the IDB in Brussels, 23 June 1985.
23. Northern Ireland Information Service 26, 5 June 1985.
24. European Parliament debates, 18 June 1981, commenting on the Martin Report Doc. 1-177/81.
25. European Parliament debates, 29 March 1984, Paisley (Official Journal 1-312/168) and Catherwood (1-312/174); European Parliament 1984.
26. This amounted to ECU 100m for an "integrated operations" programme for Belfast to supplement national quota allocations under the regional fund. This was granted on the express condition that the money was to be formally "additional" to existing public expenditure in the North, Regulation 1739/83, 21 June 1983; Official Journal, L171 29-26.
27. Official Journal, C117 30.4.84; European Parliament 1986, *An integrated rural development programme for the less favoured areas of Northern Ireland*, the 'Maher Report', PE A2-105/86, 25 September 1986.
28. European Parliament written question, 13 November 1986 (Official Journal, 2-345/197).
29. Unless incoming funds were processed by the Treasury and used to meet elements of the UK expenditure plans, they would fail to appear as a credit item in the Treasury accounts. Consequently there was heavy pressure on the NIO to 'integrate' expenditure of EU funds into the government's expenditure bloc, NIEC 1992, Trimble 1989b.
30. NIEC Report on Structural Funds, 1992; *Belfast Telegraph*, 21 September 1989
31. *Agence Europe*, 7 February 1992; NIEC 1992:67.
32. In 1993 the Republic successfully campaigned for the retention of dairy support within the CAP - in contrast with the British governments wholehearted rejection of it; O'Cleireacain 1983: 124; NIF 1984c:67.
33. Resolution of 9 April 1981 arising from the Plumb Report Doc. 1-108/81. When the Republic won an extension of the "suckler cow premium" in 1983 it was applied to both North and South; *Farmweek*, 14 September 1984; NESC/NIEC 1988; DSO 1992b:92.
34. Written Questions, Official Journal C74/22, 12 November 1979; C144:90, 15 June 1981; C149:67, 14 June 1982.
35. *Irish News*, 13 December 1982.
36. *Irish News*, 13 October 1982.
37. "Europe" Newsletter of the Commission office in Northern Ireland, No. 68, May 1991; *Irish Times*, 3 November 1992; NICS 1993.
38. *Anglo-Irish Joint Studies*, Report presented by the Taoiseach, Dr Garret Fitzgerald, to the Oireachtas, DSO, 11 November 1989; See written questions, Official Journal, C226/38, 24 August 1987 and C295/15, 5 November 1987.
39. ECU24m was provided for the period 1981 to 1985 and ECU16m from 1985 to 1989, see Official Journal, C86/13, 8 April 1980; C1345/29, 3 June 1985; Regulations 2619/80 and 3637/85. The Commission authorised a contribution to Cooperation North, a body that began working on North-South issues in the early 1980's. In 1986 in the wake of the AIA, the



Commission contributed ECU15m to the "International Fund for Ireland" and in 1988 it created a unique fund for "reconciliation" projects in Northern Ireland as part of the Northern Ireland section of the UK National Development Plan; *Agence Europe*, 16 May 1988 and 9 March 1989; *Official Journal*, 248/8, 30 September 1985.

40. INTERREG was set up under a Commission decision of 25 July 1991 (Regulation C1562/3). This required the creation of a 'monitoring Committee' which was Chaired jointly by the Department of Finance (Dublin) and the Department of Finance and Personnel (Belfast) composed of officials from both jurisdictions and from the Commission; *Joint INTERREG programme for Northern Ireland and Ireland 1991-3*, submitted to the EC Commission, 23 August 1991, p. 91; *European Information Service*, March 1993; Keatinge 1991:102.

41. This information is drawn from confidential interviews with Commission representatives. It was possible to estimate the Northern allocation at approximately £31.6m, HMSO 1993.

42. There was a new reference to the need for industrial development assistance for firms operating on an all-Ireland basis, HMSO 1993:112-26.

43. *Belfast Telegraph*, 10 June 1992; Eithne Fitzgerald, Minister of finance, responsible for the NDP, "Ireland in Europe - a shared challenge", speech to the conference on "Interregional economic development in Ireland, in an EC context", organised by the Socialist Group of the European Parliament at the Wellington Park Hotel, Belfast, 1993; Donoghue 1993:19.

44. The North-South Chapter appeared in the same form as in the Northern Development Plan, DSO 1993; Dick Spring, *Encounter/BIA* 1993: 25.

45. *Irish Times*, 12 October 1993.

46. *Irish Times*, 6 October 1989; *Telegraph*, 12 March 1992: Special Edition on Northern Ireland, "North and South with one Purpose" by Chris Ryder.

47. *Irish Times*, 11 November 1978.

48. *Irish Times*, 5 June 1990 and 20 March 1992; *Irish News*, 20 March 1992.

49. See "Regionalism and EC trends" in *New Statesman and Society*, 6 December 1991 and *Economist*, 8 August 1992.

50. By 1993 7,7000 quangos were responsible for St£61bl of public money, or 20% of public expenditure, *Guardian*, 21 June 1993. The 1972 Local Government Act failed to implement the recommendation that England should be administered by five Provincial Councils, House of Commons (1969) *The Redcliffe-Maud Commission into Local Government*, Command Paper 4040, CSO: London. Metropolitan Authorities were dissolved in 1984 and the Welsh Counties, some English Counties and nine Scottish Regional Authorities were dissolved in 1993-5. See Gordon (1990), Hayton (1992); ACC (1992); *Municipal Journal*, 7, 19 February 1993; Department of the Environment (1992) *Policy Guidance to the Local Government Commission for England*; Scottish Office (1992) *The Structure of Local Government in Scotland*; and Welsh Office (1992) *Local Government Review*.

51. For instance, when appointed in 1994 the Welsh Secretary required that the Welsh Development Authority use the union jack rather than the Welsh dragon in its publicity; *Irish Times*, 10 March 1993; *Independent on Sunday*, 6 February 1994.



52. *Financial Times*, 19 October 1992. The growing awareness of the need for constitutional change, running in tandem with pressures from EU-wide institutions and consistent with the needs of UK regions in the SEM, stimulated a wider debate about the UK constitution. This centred on the need to rekindle democracy and saw the Labour and Liberal Democrat parties committing themselves to creating regional assemblies in the English regions as well as in Scotland and Wales. See Institute for Public Policy Research (1991) *The Constitution of the UK*, Constitution Series, 1991-1993, IPPR:London; British Labour Party (1991) *Devolution and Democracy* BLP:London July 1991; Liberal Democratic Party (1992) *At the Heart of Our Democracy*, Policy Briefing 36, October 1991, LDP:London.
53. In 1988 it had accounted for 0.2795%.
54. *Northern Ireland Expenditure Plans and Priorities*, March 1994, DFP/Treasury; Knox 1992.
55. In 1990 the Taoiseach, Charles Haughey anticipated that the existing state structures would "broadly be kept in place, though perhaps beginning to operate in different ways and through different procedures", *Irish Times*, 12 May 1990.
56. *Irish Times*, 15 January 1991.
57. In 1988 the National Roads Authority took over decision-making on major roads and the Agriculture and Food Development Authority took over responsibility for agriculture and in 1992 an appointed Environment Protection Agency was created; *Irish Times*, 11 November 1988; Sinnott R. *Regional Elites, Regional Powerlessness and the European Regional Programme in Ireland*, in Leonardi (1992), 71-109; Hickman 1990; Killen L. and Ruane F. *The regional dimension to industrial policy and performance in the Republic of Ireland* and Walsh J. *The regional dimensions of industrial policy in the Republic of Ireland: a regional analysis*, papers presented at a conference on 'Economic change and development: prospects for peripheral regions', QUB, Belfast, September 1993.
58. *Irish Times*, 15 February 1994; DSO 1990.
59. This was clarified in the Sunningdale Agreement of December 1973 when the the SDLP and the Republic declared that the "only unity" they wanted to see was a "unity established by consent", DSO, 1973.
60. The constitutional imperative was spelt out by the Irish Supreme Court in 1975 and 1990, Donoghue 1993:17.
61. See statements by the Permanent Secretary, Department of Finance and Personnel, and by the Rev Beattie at a meeting on the Anglo-Irish summit, the Northern Ireland Assembly, 28 November 1983, Minutes of evidence, 14, 1283.
62. DSO 1992b; Keatinge 1988:102 - see joint statement arising out of the IGC of 21 October 1987.
63. Four years later this stipulation was strengthened by the European Parliament which emphasised that border regions should be able to "conclude agreements, cooperate on any matters they consider to be of common interest and enter into direct relations with their neighbours across the border without requiring the power of delegation or any authorisation from their central governments", Regulation 2052/88;



- European Parliament 1992b:6; *Belfast Telegraph*, 31 July 1990; *Belfast Newsletter*, 1 February 1992.
64. *Irish Times*, 16 January 1993; *Independent*, 28 January 1993.
65. *Irish Times*, 22 July 1993; *Financial Times*, 17 December 1993.
66. Confirmed by John Hume, SDLP in interview.
67. British government Communication to the IRA, said to be personally approved by the Secretary of State, dated 19 March 1993, reported in the *Belfast Newsletter*, 30 November 1993.
68. *Irish Times*, 15 September 1992 and 28 October 1992; *Ulster Newsletter*, 25 January 1993.
69. *Irish Times*, 6 April 1993; *Ulster Newsletter*, 4 February 1993.
70. *Belfast Telegraph*, 13 September 1993; *Guardian*, 18 February 1994.
71. *Financial Times*, 16 December 1993.
72. *Belfast Telegraph*, 29 October 1993.
73. *Scotsman*, 24 January 1994; *Irish Times*, 2 February 1994.
74. *Irish Times*, 24 February 1994.
75. *Financial Times*, 2 August 1993.
76. The Labour Party was committed to promoting "national reconciliation and unification in Ireland", while the Conservative Party remained formally committed to maintaining the "Union" as an end in itself. See Composite 44, Agreed at the Labour Party Conference, Brighton, September 1993. This was underlined with the publication of unofficial Labour proposals for "joint responsibility" between the Republic and the UK for the administration of Northern Ireland; *Irish Times*, 2 July 1993.
77. This unambiguous statement of the integrationist British nationalist position was as likely to alienate devolution-minded UUP MPs as guarantee their support in the House of Commons, *Belfast Newsletter*, 23 July 1993; *Financial Times*, 2 July 1993; *Irish Times*, 15 July 1993; *Financial Times*, 18 March 1993.
78. Until the paramilitary ceasefires of 1994 at least 80 of the 300 border crossings were closed, only 20 were "approved" and the rest were deemed to be "unapproved", subject to intermittent and often permanent closure. All roads were re-opened in the aftermath of the IRA ceasefire of August 1994, *Irish Times*, 22 October 1988; *Financial Times*, 26 October 1991; Northern Ireland Office (1994) *Northern Ireland expenditure surveys, 1994-5 and 1991-2*, NIO:Belfast.
79. In December 1988 for instance, Irish and British ministers were attending a conference on cross-border cooperation at a time when the two governments were at logger-heads over the extradition of Father Ryan from the Republic to face trial in British courts, Fenn 1989.
80. *Financial Times*, 16 December 1993.
81. *Guardian*, 23 December 1993; *Times* (London), 21 December 1993; *Financial Times*, 16 December 1993.
82. *Irish Times*, 12 February 1993.
83. *Irish Times*, 13 February 1993.
84. *Irish Times*, 30 January 1993, 11, 12 and 16 February 1993.
85. *Irish Times*, 5 June 1993.
86. As Garret Fitzgerald argued in the *Irish Times*, 25 September 1993; *Irish News*, 2 April 1993.



87. *Financial Times*, 20 June 1990; *Irish Times*, 13 June 1990; *Belfast Telegraph*, 8 June 1993.
88. *Irish Times*, 12 February 1993.
89. Statement of the Taoiseach, Charles Haughey, *Developments in the European Communities*, Report to the Dail, 39, 124, 12 December 1991, following the conclusion of the IGC of 9 December 1991 that approved the Maastricht Treaty.
90. *Irish Times*, 2 August 1993; *Financial Times*, 1 February 1993.
91. *Irish Times*, 3 February 1993; *Guardian*, 5 February 1993.
92. In a speech in Paris, *Irish Times*, 11 February 1993.
93. *Irish Times*, 1 February 1993; *Financial Times*, 6 October 1992.
94. *Sunday Tribune*, 20 June 1993.
95. *Irish Times*, 21 March 1993.
96. *Sunday Tribune*, 7 February 1993.
97. *Irish Times*, 12 October 1993.
98. *Belfast Telegraph*, 26 November 1993.
99. *Irish Times*, 29 November 1993.
100. There was a remarkable consensus in the press that the Declaration had redefined "Britishness", *Daily Telegraph*, 18 December 1993; *Times*, 21 December 1993; *Guardian*, 23 December 1993; *Belfast Telegraph*, 23 December 1993.



### *Section Three Conclusions*

EU integration was riven with conflicts between what may broadly be termed a 'national', usually state-centred political orientation and the politics of 'macro' and 'micro' regional development. Reflecting the weakness of a trans-state Euro-identity, the integration process was largely confined to economic concerns rather than social, cultural or political concerns, and generated dichotomy between a growing transnationalism in economic affairs and the continuing ideological significance of national and state divisions.

This dichotomy was particularly sharply defined in Ireland. Integration into the SEM had stimulated a heightened awareness, within the Southern and especially the Northern business communities, of the need for North-South economic integration. In response to the demands of a weak but nonetheless growing all-Ireland business orientation, that perhaps would lead to the formation of an all-Ireland middle class, there were some significant shifts in the nature of ideological conflict in Ireland and some related adjustments to the exercise of state power in Northern Ireland and in the Republic. But these ideological and political responses were minimal and they were cross-cut and contradicted by on-going national conflict and undermined by the related centralisation of political structures in the two jurisdictions, North and South. Nonetheless, the pressure for all-Ireland regionalisation of material interests, of political conflict and of state policy was unlikely to diminish.

This Section began with a concern to map out the depth and extent of the space for public intervention in Ireland, though 'macro' and 'micro' regional bodies in the EU as well as at the state level. In the context of EU integration in the 1990's, it was increasingly becoming common wisdom that such intervention had to occur at the all-Ireland level - as well as at other levels - if it was to have any chance of success. EU integration had opened up a sharp tension between nationalism and regionalism in Ireland, which had stimulated a debate on possible North-South



institutions - a debate which was of central importance both for the economic and for the political future of the island.

The following Section focuses on those actively engaged in addressing this emerging agenda for North-South integration in Ireland. The process of reconciling the competing demands of national conflict and regional integration was driving forward a reconstitution of political positions: the Section examines the problems that this presented for political actors both in EU institutions and in Ireland.



# Section Four

## National Adaptations

### *Section introduction*

The previous Section examined historical and contemporary tendencies, following a broad three-part framework. In this Section there is a shift in the method and focus of analysis in order to investigate how political actors accommodate themselves to these tendencies. As already argued in Chapter 3, if the process of reproducing, realigning or transforming nationalism in the context of transnational integration is to be understood, it is necessary to investigate how political actors themselves re-constitute their political positions. This Section then, uses transcripts from interviews held with political actors in Belfast and in Brussels, building-on and extending the analysis in Sections 2 and 3. Interview material is used to highlight how historical tendencies are changed or reproduced, allowing a focus on the process of explanation and argument - the 'laws of becoming' - rather than simply on their content (Hammersley 1989:73). Interviews are treated as a form of primary 'evidence' that illustrates the 'content' of various political positions and highlights the 'process' of adapting and stabilising them. This approach merges distinctions between material interests, ideological conflict and public power, pulling them together. This deepens analysis as it reveals how the three aspects of 'social order' inter-relate, how far they conflict and how far such conflicts generate political change.

This Section, then, problematises the process of reproducing nationalism in the context of transnational integration. The Section is divided into three chapters. Chapter 9 discusses the broad consensus on the need for increased North-South economic cooperation in Ireland, outlining the views of the various participants, beginning with the most enthusiastic advocates of regional integration. In Chapter 10 this is contrasted with sharp disagreements on the question of whether EU



integration has implications for national state sovereignties and for the national conflict in Ireland. These views fall into several broad categories and these are discussed beginning with those most closely attached to conceptions of state sovereignty. Chapter 11 brings these two often contradictory strands together and examines how interviewees try to construct consistency in their viewpoints - focusing on the types of dilemmas that they face and on the ways in which they try to reconcile or avoid them (Anderson and Goodman 1995a, 1995b; Goodman 1995a, 1995b, 1995c).

### *Political dilemmas*

The previous two Sections outlined deep tensions and contradictions between EU integration and the national conflict in Ireland. As was argued, the political culture of Ireland, North and South, continues to be dominated by nationalism both in colonialist and anti-colonialist forms. The Republic is the only former colony among EU member states. As noted in Chapter 7, most political parties in both parts of Ireland are organised on national rather than on class lines and across the island, national affiliations are shaped by conflicts over state jurisdiction and territorial affiliation.

At the same time, it has been argued that both Northern Ireland and the Republic are subject to growing regionalisation, at EU and at substate regional levels. North and South are highly dependent on EU multinational capital and the South is more locked into EU trading patterns than any other member state. Partly because of this already highly advanced internationalisation, but also because of the pressures arising out of integration into the SEM, North and South are increasingly defined as constituting a single island economy. As outlined in Chapter 6, EU integration is encouraging business interests, including from the Northern unionist community, fearful of sharpened economic peripherality on the 'edge' of Europe, to call for greater integration, as a single regional economy able to survive in the SEM.

These regional pressures disrupt political constituencies and challenge established Party political positions. Elsewhere in the EU politicians



have difficulty in reconciling political positions on 'national' issues with the impacts of regional integration in the EU: between the logic of state-centred 'national' development and EU or sub state, regional development. In Ireland, these difficulties sharpen into contradictions that generate deep ideological dilemmas and force redefinitions of party policy positions.

Such tensions and contradictions between regional development and national sovereignty in Ireland have more general relevance. As EU member states adapt themselves to the realities of global economic power they are forced to pursue national interests within an EU regional framework. This process requires the adaptation or reformulation of nationalism which forces states to fuse - or at least in some way to combine - the politics of national identity and nationalism with the politics of EU identity and regionalism. The tension between these two competing dynamics is opening up new opportunities for political change across the EU, particularly for substate regions. More immediately in Ireland, such tensions are central to understanding the various policies and positions being adopted on economic cooperation and the national conflict.

#### *Political discourse and rhetoric*

To probe and analyse these tensions, in depth interviews were held in Belfast and Brussels where politicians and public officials are most directly faced with the practical problem of how to negotiate the dilemmas between national conflict and transnational integration (details of interviewees appear in Appendix 1).

In Brussels there were twenty-two interviews with politicians and civil servants, including: nine MEPs, two English, one Welsh and six from Ireland; two officials from the Parliament's Research Directorate; and a member of the British government representation in Brussels. In the EU Commission there were interviews with two officials in the Regional Affairs Directorate; two working on structural funds for Ireland; two in the Directorate for agriculture; and one in the office of the Commission President. The head of the Northern Ireland Centre in



Europe, and the head of the Irish Institute in Leuven, and two Brussels-based journalists were also interviewed.

In Northern Ireland there were sixteen interviews. There were two party representatives interviewed from each of the main political Parties - the Alliance, DUP, UUP, SDLP, and Sinn Fein. In addition, one representative was interviewed from the Workers' Party, one from the Communist Party of Ireland and one from the Ulster Democratic Party. To supplement these party political interviews and in recognition of their political role in the North, two Northern Ireland government officials and one Northern Ireland-based Commission official were interviewed.

Reflecting the interest in qualitative issues, interviews were semi-structured and open ended. Most lasted between one and two hours and were loosely structured around a set of open-ended questions about the advantages and disadvantages of EU membership to date, allowing the interviewee to specify the issues which he or she thought were the most important, then followed-up with more specific questions about the reasons and evidence for their opinions. This allowed a more interactive dialogue than the use of a fixed questionnaire, enabling a joint 'construction of meaning', yielding a fuller, more nuanced response, particularly useful when the intention is to highlight attempts at bridging often contradictory concepts (Mischler 1986; Potter and Wetherell 1992).

Points raised by interviewees were set off against contrasting accounts drawn from newspaper research and from other interviews, to explore inconsistencies and tensions within personal accounts and to "question the arguments that arise within a particular common sense" (Billig 1988:17). While in-depth interviewing is useful in eliciting the qualitative views of participants, it can be less useful in gathering reliable quantitative data. As far as possible, information was thus 'cross-checked' with a number of different sources and with different perspectives on the same issues.

The tensions between positions in the national conflict or on the question of national state sovereignty in the EU and the process of



North-South, regional integration into the EU are seen as raising sharp dilemmas and inconsistencies. Interview analysis was aimed at highlighting the process of reconciling - or avoiding - these dilemmas, using transcripts of interviews to contrast the ways in which consistency was constructed. As they struggle to maintain coherent accounts, political actors are seen as employing specific political arguments and ideological devices. These, it is argued, reflect the political logic of nationalism and expose how it is reproduced. In the process, it is suggested, political actors, both at the EU level and in Ireland, are forced to adapt their political positions, with significant implications for the national conflict.



## Chapter 9

### Regionalist Consensus

From the early 1990's a remarkably widespread consensus emerged amongst officials and politicians in EU institutions and amongst politicians in Northern Ireland on the need for more North-South economic cooperation as both parts of Ireland became more integrated in the SEM. Indeed this has now achieved the status of 'conventional wisdom', especially in the North. While many politicians - mostly unionist - are less enthusiastic than the business community, there is widespread acceptance of the necessity for improved North-South economic linkages in the context of broader moves in the UK and the Republic, towards greater economic integration in the EU.

In stark contrast there are sharp disagreements over the extent of integration required, over the means of achieving it and over its possible political implications. These disagreements reflect wider national disputes, over whether Ireland should be redefined as a single island unit within the EU, or whether it should remain divided into two parts, with the North retaining its primarily British political orientation. These differences of opinion centre on the question of whether EU integration has any substantial impact on national state sovereignty and, by implication, on the conflict in Ireland, and are analysed in Chapter 10.

But first, this Chapter examines the pressures towards consensus. Primarily using interview transcripts it outlines the regionalist consensus, highlighting its content and its limits. This is necessarily brief, as many of the arguments have been discussed in Section 3. Here the political positions of representatives from each party are outlined, focusing on the expected impact of the SEM and related proposals for a 'one island economy', and on the institutional and political arrangements required to make it a reality.



To contextualise these positions, there is some discussion of the perspectives of the business communities and of EU Commission and Parliament officials on the question of improved North-South linkages. Generally, there was a greater consensus between business organisations and EU institutions than between politicians on the need to improve integration and to construct policies and institutions to bring it about. This pressure for improved North-South linkages intensified in the early 1990's as the Single Market neared completion. The political responses to these pressures are then analysed beginning with the most enthusiastic advocates of North-South regional integration.

### *Business perspectives*

Amongst business representatives the economic problems in the North were generally seen as similar to the South's and as therefore requiring similar and preferably coordinated political responses. In fact, as was argued in Chapter 6, business representatives in the North appeared to be keener on cooperation than their counterparts in the South, largely because of the North's greater peripherality, in political as well as in economic terms. The dominant view was that the Northern Ireland had benefited less than the Republic from EU membership and that its interests had been downplayed or ignored by London when they conflicted with dominant interests in Britain. The Republic and the UK were often on opposite sides in EU debates but the North's economic interests were more usually coincided with the Republic's and there was concern that Northern interests are not actively represented by the UK government and that this was likely to be especially damaging to agricultural interests and small firms.

The recent upsurge of business enthusiasm for integration, has been motivated by economic, not political concerns. Many of its business advocates stress that for it to succeed it must be kept separate from 'politics'- according to Quigley (1992), "making a reality of the island economy is dependent on there being no political agendas, overt or hidden". The scope for increasing North-South trade was emphasised as the respective markets in Ireland were seen as particularly accessible for small Northern and Southern firms not already exporting to the UK or to the wider EU. But the Irish markets were small in EU terms, and the



potential benefits of building a common 'synergy' between economic forces, North and South, were seen as equally, if not more important.

Some observers argued that any serious attempt at economic integration would have to address political issues - including the problem of ensuring accountability to two separate electorates in two separate states, and the inevitability of conflicts of interest between them, suggesting that integrating the two economies would require concerted political management and joint North-South institutions legitimised by democratic involvement (See Anderson 1994). Such political and institutional requirements unavoidably encroached on national sovereignty and on issues related to the national conflict. Consequently, they attracted the enthusiastic support of constitutional nationalists, North and South and encountered not only the predictable Ulster unionist opposition to anything that appeared to unify the island, but also, where the EU was involved, the opposition of British nationalists and of officials in the highly centralised British state.

#### *EU Commission and Parliament perspectives*

Interviewees in Brussels confirmed that an EU role in encouraging North-South integration faced political opposition - not least from British state nationalism. In the European Commission and the European Parliament there was considerable frustration that while the creation of a single Irish economy in the SEM was an "absolute imperative", there had been very little political movement towards it. There was great concern at the lack of coordinated plans and initiatives from the London and Dublin governments, while in European Parliament circles there was the further worry that divergencies in the national policies of the two governments were having the unintended effect of reinforcing North-South divisions in Ireland.

From 1990, in response to the anticipated completion of the SEM, there had been a significant increase in joint North-South initiatives by various business organisations, but as Commission officials pointed out, these had only had, at best, a symbolic impact. As far as Northern Ireland business was concerned, the Republic might as well be on the eastern fringes of the SEM - "somewhere east of Germany" and if left to



continue, such economic divisions would lead to a further deterioration in economic competitiveness - just at the time when markets, North and South, were being targeted by other EU businesses.

Officials were particularly frustrated that they could do little to rectify this. The Commission could take the lead on initiatives aimed at increasing Northern Ireland's or the Republic's integration into the Single Market. But where they involved action to enhance North-South integration, their initiatives tended to be vetoed by one or other of the two governments - usually the UK - or stalled by the lack of regional government in both jurisdictions and related over-centralisation, particularly of any North-South, all-Ireland initiatives. While some civil service departments had a long history of cross-border contact, other organisations, including local authorities, had generally been excluded or circumscribed in what they could do and the two governments retained direct control, ostensibly for reasons related to security and the national conflict.

There was considerable dismay within the Commission at the UK government's refusal to allow North-South coordination of EU agricultural policy, despite its repeated attempts at convincing the British government. Proposals to apply the same advantageous funding for agriculture in the North as in the Republic had been rejected on the grounds of maintaining 'equal treatment' for all UK regions, despite cross-community and cross-Party support for such measures in Northern Ireland.

The EU had made an exception in granting the North favoured "Objective One" status for regional funding in 1988 largely out of a concern to treat it in the same way as the Republic. It was therefore particularly ironic that the British government was pressing for this status to be renewed in the 1994-9 spending round, at the same time as it was refusing to favour the North in how it distributed funds allocated to it under the CAP. But despite having the same funding status, which was renewed in 1994, there was no North-South coordination of EU funding regimes because, as a senior Commission official stated, this was judged to be "too political" and would have been blocked by the British representation in Brussels.



Meanwhile, Commission officials had to turn a blind eye to breaches of regulations agreed for the only substantive North-South funding programme, the INTERREG fund, which was established in 1990. As noted earlier, the two governments had failed to provide details on how the money would be split between the two jurisdictions, the only part of the EU where this was accepted by the Commission. The initiative was managed directly by intergovernmental - joint committees, empowered by decisions at the Maryfield secretariat of the AIA and composed of civil servants from North and South, with local substate representation signally absent, despite Commission regulations on 'partnership' and 'subsidiarity'. Not only were these cross-border committees somewhat removed from local border communities, they were also powerless on border issues that did not directly involve the spending of INTERREG funds. At one meeting for instance, a Dublin official had asked why the British Army was destroying road links across the border, which led to the embarrassed reply from a British official that this was a 'security' not an 'economic' matter and hence was beyond their terms of reference.

As the British representation to COREPER in Brussels pointed out, in Northern Ireland, to a greater degree than elsewhere, the EU Commission could not be seen to act politically. Consequently there was great pressure to define EU policies as technical or administrative tasks and to tie them as closely as possible with clearly identified local interests. The result was that while there was a clear need for initiatives to realise at least some of the enormous potential benefits of joint working, this was not forthcoming - in the words of one prominent Commission official - the two states had not shifted their policy stance "one iota".

In the view of the Commission, policy shifts were desperately needed to 'kick-start' the politico-economic dynamic of integration. In 1992 there was considerable disillusionment that two years after the much trumpeted meetings between CBI (NI) and the CII, and after investigations into possible areas of joint working, no substantive proposals to the Commission had been drawn up. Although the business community was making new demands on the politicians,



these had not materialised into concrete proposals that could be presented as deserving EU assistance. Some put this down to logistical or cultural difficulties leading to a lack of political will to jointly work up detailed North-South projects. Regrettably, the result was expenditure of structural funds on relatively low priority projects such as the Ballyconnell canal project or projects that treated the two economies in separation - such as the two electricity cables and the two gas pipelines across the Irish sea.

If more appropriate projects, focused on integrating North and South had been put on the table, the Commission would have had no hesitation in releasing resources to fund them. Without more concerted lobbying by non-governmental organisations - community, women's, trade union, cultural and voluntary, as well as by business organisations - and without at least the acquiescence of the two governments', EU-led initiatives on North-South issues would lack the necessary legitimation and the Commission would be unable to act. The EU's "goodwill money" for Northern Ireland would continue to fail to address the central issues at a crucial period in Ireland's economic development, encouraging instead, a particularly negative form of "pork-barrel politics".

### *Party positions*

Partly in response to pressures from business organisations, there was considerable agreement on the need for increased North-South economic cooperation amongst party political representatives. Most Northern politicians shared fears of peripheralisation in the SEM and were broadly in agreement that EU integration required a re-assessment of economic development policies for the North.

Most enthusiastic were representatives from the SDLP. Like constitutional Nationalists in the South, the Party had for long seen EU-related convergence as furthering the objective of a politically united Ireland. Representatives argued that the urgent necessity for economic integration between North and South within the EU contradicted the logic of Unionism. This lent a particular significance to the common



ERDF designation for North and South and to the occasional joint SDLP-UUP-DUP delegations on EU-related issues.

Representatives were convinced that integration into the EU changed the roots of the Irish-British relationship, transforming the nature of political conflict in Northern Ireland as Unionists were forced to adapt their anti-EU position, fearing that the SDLP would gain credibility as the only European party in Northern Ireland. As a result, Unionist politicians had been forced to participate in getting the 'best deal' for people in Northern Ireland, leading them to accept the definition of Ireland, North and South, as an economic region in the SEM, thus undermining the concept of Northern Ireland as a region in the UK.

The Party leader emphasised this pressure to cooperate with the South, stressing "evolutionary process going on that is created by decisions like the removal of borders and by the fact that there is a CAP... farmers in the North were dying to meet Ray McSharry, before that they wouldn't have gone within a mile of him". He was critical of the two governments over the lack of cross border initiatives which, he argued, was primarily the fault of the Department of Finance in Dublin rather than of the Northern Ireland Office. The Southern state had its own separate priorities - money for the border regions was "money out of the public purse", whether it be taxation revenue or EU funds. In contrast with the two governments' disinterest in cross-border development, he emphasised that many of the border Councillors, Unionist and Nationalist, were "all into it because they know the reality - they live with real life... its just being practical.... at the end of the day that's what regionalism is all about".

Similarly, Sinn Fein argued that the economy was becoming increasingly unified - pointing out that the demand for an all-Ireland framework for economic development had been Party policy for many years. It was recognised that economic shifts may eventually be reflected in a political shift to the all Ireland framework but interviewees emphasised that in the medium term the shift away from an unevenly developed island economy and the removal of border controls would have little impact on the day-to-day experiences of the nationalist community in Northern Ireland. Representatives were highly critical at



the Republic's apparent conversion to the idea, which was seen as an attempt to combine a 'safe' technocratic agenda with the nationalist agenda without incurring the wrath of Unionists, reflecting a widespread fear of social instability amongst politicians from the 26 Counties.

But like the SDLP, there was a degree of optimism that the need for North-South regional integration would bring political changes. Sinn Fein stressed that there was a very strong potential for North-South linkages, given pressures from the business community in the North and from the EU bureaucracy. These were not only consistent with nationalist aspirations, North and South, but also with the British strategy of normalising and stabilising politics in the partitioned 6 County statlet. UK state policies at the EU level may have reflected British nationalist isolationism but 'on the ground' in Northern Ireland, where they were designed to meet British counter insurgency priorities, they were focused on generating "a more positive picture of Northern Ireland... in terms of the 'feel good' factor". Hence, John Hume was presented with an "open door" whenever he argued the case for North-South cooperation in the Derry area for instance, "because it suits the policies of the NIO at this point in time".

Sinn Fein therefore agreed with the SDLP that the Southern government was the main blockage to North-South integration. Representatives argued that although Unionist politicians were not enthusiastic supporters of improved cross border linkages, many, especially those based outside of Belfast, were not opposed to it on principle - "they might be - you know - reluctant - they may be fairly apathetic", but "they're definitely not blocking it - they haven't the power to - they can be quite disruptive and messy about it but they're certainly not the problem." The real problem was the nature of Southern politics, as clientelism was focused on the Dublin metropole and politicians tended "to see things in terms of Dublin and the urban centre as opposed to for instance cross-border economic policies or matching funding" and therefore had "genuine problems about general commitment to our area" (ie - to Northern Ireland).



The Communist Party representative was also enthusiastic about North-South regional integration in the EU, but agreeing with Sinn Féin that the political implications of such integration should not be overplayed. The Party stressed the need to campaign against the EU's neo-liberal economic policies, as did the Workers' Party, whose Northern chair was considerably less enthusiastic about the political implications of North-South integration. The representative favoured improved North-South linkages, but not in a "trojan horse sense" and argued that "there has to be recognition of the very peripheral location and the very small region that we make up within the wider Europe" and emphasised the internal consequences of EU integration, in terms of building programmes, youth training schemes, and "cultural visits by young people from both sides of the community to European countries".

Unionist politicians were generally sceptical of proposals for North-South institutions, viewing suggestions for such institutions either as nationalist-inspired or as naively foolhardy. Nonetheless, while widely criticised for a pre-occupation with constitutional politics, they generally acknowledged the necessity for some degree of economic co-operation with South in the context of the SEM. Rather than condemning the concept of North-South economic integration, Unionists tended to emphasise the lack of practical participation by the Southern state and the competition between North and South. Northern business enthusiasm for economic integration is explained in terms of a fear that the South will develop faster than the North. Meanwhile, Southern tardiness over issues such as joint tourist marketing and the Belfast-Dublin rail link, in contrast with its enthusiasm for developing the port of Dublin is put down to Southern disinterest in the North. This is interpreted as directly leading to wasted government funding on what are seen as symbolically significant North-South development projects - such as the Ballyconnell canal, which accounted for a large slice of the first tranche of INTERREG funds.

It would be a mistake though, to play down the significant political shifts that have emerged on this issue within Unionist parties. Some leading members of the major Unionist party, the UUP were not opposed to cooperation with the South although there were concerns at



being "flooded" by Southern goods and taken over by larger Southern businesses.

Indeed, the Alliance Party welcomed increased North-South integration. Its leader pointed out that "since Partition - there has been a lack of cooperation in the island which is quite strange in economic terms for a very small island on the periphery of Europe". The Party representative suggested that "there are a number of things which can helpfully be dealt with on the basis of the island of Ireland - things like agriculture the environment, energy requirements, transport infrastructure, crime - which do not respect borders - even in Ireland". Such common policies would, in his view, have to respect the existing competition between the two parts of Ireland, "because we have different interests", largely due to the differing business conditions, arguing "we are cooperators but we are still competitors. You know, kids in the same family are at the same time siblings and also rivals".

In accordance with its 'liberal' unionist perspective, Alliance Party politicians argued that the South's constitutional commitment to unity, and consequent inability to recognise the Northern statelet, had been the main historical obstacle to North-South linkages. Substantial amendment of this constitutional claim was a necessary element in any cooperative arrangements. Further, he emphasised that despite a consensus on the need for North-South institutions at the Brooke talks, without a Northern Ireland assembly no agreement could be struck as there could be no basis for Northern participation in such institutions - except as appointees of the British government.

The UUP representative was less enthusiastic and downplayed the need for North-South economic integration. While accepting the need for North-South cooperation - "we don't have a problem with maximum cooperation" - he argued that Northern Ireland's socio-economic orientation should be towards 'mainland' Britain and beyond. He emphasised that "our long term objective opportunities are getting more and more into mainland UK and getting beyond that - its not enough any more to get into mainland UK we need to get beyond that". He argued that the Northern Ireland government should more vigorously promote Northern industry, in competition with the South



- "we would all create 2000 jobs tomorrow if DANI and the IDB would get up off their backsides and expand the pig industry in Northern Ireland - instead of letting it all go South". Against this more traditional position, those more on the 'left' of the Party argued that EU integration threatened to place Northern Ireland on "the periphery of a periphery" and that there was an urgent need for Unionist politicians to be proactive in EU politics in resisting economic centralisation in the EU and if that involved joint working with the Republic then so be it.

Even DUP representatives, traditionally more vehement in their opposition to links with the South, deplored the existing gap between Unionist politicians and business and were happy to accept an all-Ireland framework within the SEM "if that's what business wants". Representatives were willing to accept economic and social intervention by the EU, even if this led to integration with the Republic, as long as it remained at the economic and social level. Any suggestion of the EU having a political impact on Northern Ireland - rather than Northern Ireland participating in EU structures to get the most from Europe - was condemned as unwarranted meddling in the political affairs of Northern Ireland.

DUP politicians consequently tended to distinguish between North-South measures that were *ad hoc* and measures that were defined as having wider implications. Initiatives designed to meet a particular objective, such as the borders programme; the proposal for a Belfast-Dublin economic corridor; or funding for community relations work, were accepted "pragmatically" by the Party. Similarly, the Party was happy for business to deal across the border and to develop its interests outside Northern Ireland and had "no problem" with a European or Irish framework for private industry - "we are not at all opposed to the EC creating an easier market place... businessmen must be free to make whatever decisions they like".

Broader measures which were felt to have "political implications" - such as those proposed by Sir George Quigley - were opposed. Representatives were "opposed to anything which has political undertones - or which is sort of intended for political consumption". They were happy for the EU to work towards greater economic and



social integration between North and South - but only as part of its wider process of integrating the European economy. They would not tolerate any extension of this economic and social integration into the political realm and resisted any broad brush assessments of Northern Ireland as part of the Irish economy - for instance - as implied in Quigley's proposal for an all-Ireland EU spending programme.

In terms of general political strategy, UUP and DUP representatives tended to see two options, the first was to be cautious, avoiding any form of North-South political initiative as long as the Republic retained a constitutional claim on the North - until "the relationship is normalised". The second was to accept political involvement in non-political North-South affairs, on the basis of mutual benefit. Representatives saw themselves as steering a middle course between these two. The DUP, for instance, would argue "for what is in the best interests of our people and the South will do the same", and would work with the South pragmatically - "if those interests coincide we will use that and work with them". But it would not therefore agree to the creation of more permanent North-South structures to manage cooperation - "we do not then say 'well, the logical outcome is that you lump us all in together as one'".

### *Chapter Conclusions*

A remarkable consensus had emerged between politicians in Northern Ireland and EU officials and politicians in Brussels on the need for much more cooperation between North and South in response to the challenges of the SEM. By the early 1990's the process of EU integration was beginning to legitimise the concept of the 'one island economy', as a central component of socio-economic development in Ireland.

But practical progress on economic integration had been hampered by the divergent policies of the two states and by political divisions associated with the national conflict. The next Chapter explores these divisions, focusing on tensions between the general consensus on the need for greater North-South economic integration in the EU and



general disagreements over the impact of EU integration on states' sovereignties and on the national conflict.



## Chapter 10

### Nationalist Divergence

Political disagreement between interviewees on the political implications of EU integration contrasted with the broad consensus on the issue of regional integration in Ireland. This Chapter outlines these disagreements, first focusing on differences of opinion over the nature of EU integration, its impact on national state sovereignty, and then over whether EU integration had any significant implications for the national conflict.

The various political actors interviewed expressed a variety of opinions on the impact of EU integration on states and nationalisms. These opinions were loosely paralleled by a range of perspectives on the impact of EU integration on Ireland's national conflict. These opinions can be related to the theoretical discussions presented in Chapter 2 on the role of state in international politics, suggesting that political actors draw on a range of "ideological repertoires" to construct versions of the EU and of its impact on the conflict that are consistent with their existing political roles or positions in the conflict (Potter and Wetherell 1992).

As with Chapter 9, the various strands of opinion that are highlighted here are not 'party political positions' as such, nor are they mutually exclusive. Representatives and officials may draw on more than one interpretation and may employ different and contradictory arguments, whether intentionally or for self-serving or opportunistic reasons, or as a result of unintentional incoherence. Indeed, given the degree to which political discourses associated with regional EU integration conflict with and disrupt national political discourses, consistency is perhaps the last thing which should be assumed.

*Interpretations of state sovereignty and regional politics in the EU*



In attempting to offer an account of the impact of EU integration, party politicians and EU officials construct positions that are consistent with the presumed aspirations of 'their' national community, or in the case of EU officials, with their organisational priorities, which in the case of Commission officials, commit them to work towards an "ever closer union". This, it is argued, serves both to adapt and reproduce their existing political positions.

Interviewees go to some lengths to make their position consistent with a wider interpretation of the impact of EU integration on states and nationalisms. In doing so, they draw on broader political perspectives on international politics and the positions reflect a theoretical strands in international relations literature, suggesting that theoretical debates have some - perhaps considerable - impact in shaping, as well as reflecting the various discourses of participants in the conflict and at the EU level.

A number of general orientations are outlined. These are discussed beginning with those most opposed to changes in the role of states, who reject EU membership and favour a 'Europe of independent states'; followed by discussion of the more positive, Gaullist-type perspectives of a 'Europe of states in the EU'; of the largely sceptical views of those arguing that the EU constitutes a 'capitalist bloc'; of the more positive 'Euro-federalist' perspectives; and finally, of the Euro-enthusiast, 'Europe of the regions' perspectives. Party-political, personal and official positions as outlined by representatives in interviews, match these general orientations, although there is considerable overlap - which is in itself significant.

### *A Europe of independent States*

This perspective on EU integration emphasises the importance of 'traditional' state sovereignty and the need to resist any encroachments on it. It attracts those advocating withdrawal from the EU or renegotiation of EU treaties, so as to restore 'proper' authority to the state. There were various views on why the power of national states was deemed to be so important, whether as the expression of democratic



priorities or as the guarantor of security, but the overriding priority was to preserve or restore it intact.

This perspective reflects elements of the traditional 'realist' approach to international relations. As noted in Chapter 2, this stresses the role that states play in maintaining domestic 'order' and emphasises the anarchical 'state of nature' at the international 'level' and the need to maintain an 'international order' founded on balances of power between sovereign states. Such an international society of states is not only seen as presenting a true picture of the international system; more significantly, it is seen as the picture to be preferred, as it is only in the rational pursuit of states' interests that international order is guaranteed. This prescriptive element to the 'realist' perspective is reflected in the rhetoric of its advocates.

The political actors adopting such a position fell into two broad categories - loyalist and republican. Loyalists adopted this position as a means of maintaining the status quo: the DUP for instance, welcomed Denmark's rejection of Maastricht, seeing the EU as a threat to UK sovereignty and a potential vehicle for Irish unity "by the back door". The Party argued that the UK should leave the EU, while remaining part of the customs union and representatives criticised EU interference, not just in the political affairs of Northern Ireland, but also in the economic affairs of the UK - for instance arguing that the UK government should be free to support Northern industry at the same levels of support as prevail in non-EU states such as South Korea and Taiwan.

Party representatives stressed the role of states and the importance of territorial sovereignty, condemning any public funding or political role for independent organisations such as the Northern Ireland Centre in Europe, arguing that "you cannot have a situation in Europe where you have a region of a country - you know - where the UK is speaking for it in the Council of Ministers but there's another government sitting round at the Council of Ministers who also speaks for it - either we're a region of the UK or we're not... ". Representatives stressed loyalty to the British 'Crown' and argued that "every nation should retain its powers", emphasising the importance of 'national' politics as the basis



for democratic accountability. Consequently, the European Parliament was seen as an artificial conglomeration of national and regional interests and the idea that it could become the basis for a new EU political accountability was dismissed.

In contrast, the second, Republican variant to this perspective was committed to democratic 'national' statehood as a means of overthrowing the constitutional status quo. Sinn Fein and Irish Communist Party representatives argued that 'national' sovereignty should be preserved as a means of maintaining democratic rights in Ireland. Thus, both parties campaigned for the Republic's withdrawal from the EU, and for the withdrawal of Ireland as a whole in the event of Irish unity - although, for Sinn Fein, this position was increasingly superseded by a more positive approach.

Sinn Fein was traditionally hostile to the process of integration at the EU level as the Party's anti-imperialist line was combined with a concern to preserve the national sovereignty of the Republic - and of a future all-Ireland state. Its representative acknowledged that despite some adaptation of the Party's position in the 1990's, the objective of achieving national sovereignty remained a central demand which could not easily be deleted from the Sinn Fein programme. As the CPI representative put it "the whole concept of the EU" had to be opposed in order to preserve "the sovereign powers of our internal economic development".

### *A Europe of States in the EU*

In contra-distinction with the argument that states should withdraw from the EU in order to maintain their sovereignty, there was a, perhaps more sophisticated, perspective which argued that states should retain membership of such organisations as they expressed and extended state sovereignty. According to this version of EU integration, states can and should control the process of integration, thus enhancing their international profile and increasing their influence over transnational, particularly economic, forces. This interpretation reflects the 'neo-realist' perspective on international relations, as international organisation is seen as primarily intergovernmental, stimulating inter-



rather than transnational integration and in the process, strengthening rather than weakening state sovereignty.

Some Commission officials subscribed to this view - albeit regretfully. If the EU was to overcome the divisions generated by national sovereignty then it had to address the issue of how to transform national identities, particularly when its attempts at increased integration appeared to have stimulated nationalist reaction, rather than leading to the emergence of an EU identity. It was suggested that perhaps the EU had approached the whole question of integration in the wrong way - by choosing the intergovernmental approach and linking it to functionalism rather than attempting to directly address the 'high' politics of sovereignty and nationhood that still dominated EU states - especially Britain. Prominent representatives in the European Parliament from the British Conservative Party were more enthusiastic advocates of this version - arguing that while the EU had encouraged cooperation, influenced forms of political debate and changed forms of political expression, this process was firmly in the hands of the member states.

In Northern Ireland meanwhile, the UUP was most clearly in support of this position, and were joined, to a differing degree and for different reasons, by some DUP, Alliance Party and Workers' Party representatives. UUP representatives favoured integration at the EU level, as long as the powers of individual states were defended. They were concerned to maintain links with the global economy through the UK and, as far as possible, to delink Northern Ireland from the Republic. The Party tended to take a British nationalist, 'integrationist' approach to 'national' politics in the North and reflecting this, some representatives were actively hostile to the Northern Ireland Centre in Europe - seeing it as anti-democratic and anti-constitutional. Formally the UUP position was that all contact with the EU should be through the NIO or through the MEPs, but in practice the Party worked with the Centre on day-to-day issues.

On the question of economic integration with the South, then, it was argued that "its not enough any more to get into mainland UK, we need to get beyond that. I certainly don't believe for one moment - I



think it's a fallacy - that just because we have a similar market and that the South would want to increase their exports across the border". More extensive, government-led cooperation with the Republic would be dependent upon the creation of a Northern assembly - "if we had a regional assembly here and if we had a permanent representation from that assembly in Brussels I think that we would obtain more and get more and achieve a heck of a lot".

Some DUP representatives also, in practice, adopted this perspective. Despite the Party's anti-EU rhetoric, representatives tended to take the existence of the EU as a political given and argued for a strengthening of Westminster's role in debating and overseeing the passage of EU legislation. This was seen as a means of correcting the 'democratic deficit' at the EU level, allowing for more debate of EU related issues in the existing national assemblies, prior to decisions being taken in the Council of Ministers. This fall-back, compromise, position on the EU emphasised the role of national states at the EU level and was aimed at copper-fastening a clearly defined division of responsibilities which would ensure that only UK ministers and officials would be representing Northern Ireland at the EU level - as one representative argued - "as far as the treaties are concerned, you can't be a hybrid, you're either one thing or the other".

The Alliance Party also, in practice, adopted this approach. The EU was seen as having, regrettably, a minimal impact on the politics of Northern Ireland - as one leading Party official mentioned - the EU could bring about a swing from the DUP to the UUP in a North Antrim Council by-election when, by insisting that it should not open on a Sunday, the DUP had threatened EU funding for a local heritage centre. But beyond that, it had little impact on the substance of Northern Ireland politics.

Consistent with the Party's liberal Unionist position, its leader argued that the regionalist context for EU politics was underdeveloped and as yet, had little impact in Northern Ireland - "there has been a failure to address the question of European Union... so, in so far as it hasn't succeeded in Northern Ireland, it hasn't succeeded because it hasn't addressed the political question at the European level". In any event,



even if there was increased regionalisation in the EU, regional identity would not offer a solution as in Ireland there was no congruence between 'nation' and 'region', unlike in most EU regions, such as in Scotland and Wales.

Similarly, the Workers' Party representative stressed the continuing primacy of national political issues - arguing that the process of EU integration had "been far too much related to the economy and hasn't been matched by corresponding developments in the social and cultural areas". The Party condemned the SDLP proposals for a North-South Commission wielding executive power with EU participation as "the point is to create more democracy within Northern Ireland - not less". The representative was not opposed to EU integration, arguing that "there is certainly a lot to be gained from this idea of a common European home and the development of a greater Europe and so on", but like the Alliance, argued that this was at most a dim hope.

### *A capitalist bloc*

In contrast with the perspective which stresses the importance of states, there is a further general political configuration that focuses on the economic and social impact of EU integration, endorsing or rejecting it according to the degree to which it meets broadly defined social or socialist objectives. The EU is defined as a capitalist bloc, to be condemned if it is seen as undermining more progressive nationally orientated political blocs, or to be critically embraced if it offers possibility of superseding less progressive national policies. If favoured, EU integration is seen as a means to an end, rather than as an end in itself as for federalists and for Euro-regionalists. The question of whether there should be greater EU integration then, is not a question of principle, but one that is shaped by the prevailing political circumstances.

Like the other, statist perspectives, this approach is broadly consistent with a theoretical 'paradigm' in international relations - in this case, Marxist-influenced approaches, particularly the Gramscian approach. It emphasises the importance of economic power in shaping patterns of political authority and hence focuses on the structures of capitalist



hegemony and on the means to secure their overthrow or transformation.

In Northern Ireland this was a strong theme in the rhetoric of two of the three avowedly socialist parties - namely, the Sinn Fein and the Irish Communist Party. As was noted in Chapter 7, Sinn Fein's position on the question of EU integration was in flux in the early 1990's. Its opposition to Maastricht Treaty was founded on the view that the EU was a "rich men's club" in which there was no room for democratic structures. With the possible democratisation of EU structures and the emergence of less neo-liberal EU policies, such as the social charter and other policies aimed at maximising social cohesion, Sinn Fein's attitude to the EU had begun to soften. Post-Maastricht the Party was seeking "to form democratic alliances" with similarly minded, anti-imperialist parties and movements across the EU. The Party saw itself as participating in debates about the EU to "become part of a whole political discourse that may for instance be part of the debate on socialising if you like the whole kind of EC programme as it affects Ireland".

By way of contrast, the Communist Party of Ireland representative remained firmly opposed to the process of EU integration, primarily because of its neo-liberal policy agenda and - at least partly the cause of this - its lack of democratic accountability. Consequently the Party focused its campaigning against what it (rightly) saw as EU-related privatisation programmes in Ireland, North and South - the privatisation of Northern Ireland water and electricity being an example - and against EU-induced deflationary policies, particularly in the South.

### *A federal Europe*

The federal perspective, in contrast to Marxist-influenced position, emphasises the need to create a pan-EU government that would exercise sovereignty in the name of its members or in the name of a strengthened European Parliament and advocates the eventual construction of an EU federal or confederal state, building on the common interests of the individual sovereign states. This perspective draws on strands of the 'liberal' tradition of international relations



theory which see the formation of a single federal or con-federal entity, encompassing the member states of the EU, as a prelude to world government. The 'functionalist' variant of this approach stresses the role of economic and social integration in the EU as building the foundations for a deeper, cultural and political, federal unity between the states of the European Union. Political action by the member states - according to the 'neo-functionalist' variant - would hasten this transition to a European federal or con-federal state, which would express the collective sovereignties of its members.

Amongst Northern Ireland political Parties the federalist or 'functionalist' perspective was not especially popular as it was generally seen as leading to the creation of an over-centralised EU 'super-state': the adapted, federalist-influenced perspective, favouring a 'Europe of the regions' (see below), was the much preferred option amongst the more Euro-phile politicians in Northern Ireland.

Amongst officials and representatives of EU institutions variants of the federalist perspective were a strong, if not dominant, theme. Commission representatives stressed that the EU was in the first instance, an inter-governmental institution. Issues such as the exclusion of Northern Ireland from access to the Cohesion fund were seen as a symptom of this domination of the EU by trade-offs between member states - in this case, between less developed Spain, Portugal, Greece and the Republic of Ireland and the rest of the EU.

But in proposing legislation and then in implementing it after adoption by the Council of Ministers, the Commission could claim to have considerable political power and senior Commission officials - for instance those in the President's Cabinet - did not see themselves as simply servicing the needs of member states. As part of the only body with the power to define and implement EU-wide policies, they preferred, instead, to see themselves as bearers of the integration process - a role defined by Treaty of Rome. According to this quasi-federalist interpretation of EU politics, the Commission policy-making process encouraged an active interaction between the interests of member states, political groupings in the EP and budgetary gatekeepers in the Commission administrative structure.



Officials stressed that the Commission did not simply take its political 'steer' from COREPER, but internally, from its own dynamic: the proposals for instance of a socialist Commission head would be adapted and shifted - not watered down - but enhanced, by the internal Commission decision making process. Issues that are defined by any of the parties to the decision-making structure as "politically sensitive", would be avoided and EU policies would follow the lines of least resistance, leaving whole swathes of EU political life (including Ireland's national conflict), relatively untouched. Nonetheless, common interests were invariably identified and it was the Commission that defined the content of the resulting common policies in what was *de facto*, a confederal policy making framework.

Officials from the European Parliament also highlighted this relatively independent institutional dynamic at the broader EU level, that included the various EU institutions as well as the Commission and emphasised the tensions in the process of formulating of EU-wide policies, between the various institutions of the Union which in many senses were seen as acting against each other. On issues related to Ireland's national conflict, for instance, the Parliament had taken the most active approach, defining the conflict as an area of legitimate EU concern. In contrast, the state-dominated European Political Cooperation, the Council of Ministers and that European Council had tended to respect the British argument that the conflict was an internal UK matter in which the Republic may have had a legitimate interest, but on terms defined by the UK - not by the EU. The Commission meanwhile, was seen as charting out an EU-wide, quasi-federal framework for the conflict, often in alliance with the Parliament, with more or less direct implications for the conflict according to the area of policy.

This sense of an alternative, quasi-federal context or framework for politics offered EU politicians and officials from each of the institutions a common reference point which could be used to gloss over the lack of any direct role in the national conflict. In more ideological terms, this account was sufficiently flexible to allow some to argue that such a framework was built on the mutual security and confidence that



politicians felt at the EU level - as their 'national' jurisdictions were unquestioned and indeed cemented by EU institutions. This viewpoint rejected the assumption that integration and cooperation would lead to a whittling away of the state - rather, it was suggested that integration was institutionalising and stabilising current arrangements, and that rather than taking sovereignty out of the situation, it was building on existing sovereign relations. The EU, it was argued, did not answer the national question; nor simply rephrase it; it asked a new question altogether. In this strongly 'neo-functionalist' interpretation, it was argued that this would eventually build the EU into a federation that by necessity would be a federation of regions - due to the logic of non-national economic development - not due to the political idealism of Euro-enthusiasts.

### *A Europe of the regions*

In this prescription for EU politics, inter-state rivalries are defined out of existence, not by constructing a new EU super-state, as in the federalist version, but by removing the concept of sovereign statehood from EU politics. States are not only superseded by the emergence of more powerful institutions at the EU level, they are also undermined by the strengthening of sub-state regional or local institutions. This erosion 'from above and below' is seen as the dominant tendency in EU politics and is embodied in the concept of a 'Europe of the regions', which in some respects has become a campaigning slogan for its advocates.

Like the 'federalist' interpretation, this approach also broadly reflects the functionalist approach in international relations theory. Nationalism is seen as having lost out to regionalism, in both its 'macro' and its 'micro' forms and state institutions are seen as outmoded in an increasingly interdependent world. Hence, the process of inter- or trans-state integration and the regionalisation that it generates, are, by definition, preferable to the maintenance of 'national' or state sovereignties.

In Northern Ireland this position is advocated by two political parties, most enthusiastically by the Social Democratic and Labour Party (SDLP)



and especially its leader - John Hume. He was a "strong believer in the Europe of the Regions" and stressed the impact of EU integration on state sovereignty, arguing that, "we have moved on from the nation-state, from independence into interdependence." The implication was that "in keeping with what I have said about the nation-state having outlived its usefulness - I don't see Europe as a group of nation states - centralisation represented by the capital cities of the nation states is over and there has been a much greater regionalisation".

In contrast with for instance, the DUP, the SDLP leader argued that "parliamentary democracies are outdated" as they had "not evolved with society" and in outlining the concept of regionalism he suggested that "for the people on the ground now there is universal education, they have the capability and the leadership to deal with their own affairs, if they are given the authority to do so". This required autonomy at the most local level - "because the real wealth, we tend to forget this, of any country, is its people and the harnessing of its people. That's best done closer to the ground". Further, he argued that since the early 1980's SDLP policy initiatives had been based on this conviction. In April 1983, for instance, the party had argued for a three-part institutional framework, "in keeping with the European model", including an intergovernmental council, an Anglo-Irish secretariate and an Anglo-Irish parliamentary tier - later mirrored in the structures established under the AIA.

The Alliance Party too, favoured a 'Europe of the regions', arguing that regionalism would come to supersede nationalism in the EU. In its leader's view, Northern Ireland needed to develop an autonomous regional administration as an absolute priority if it was not to be excluded from the benefits of the Single Market - there had to be a "recognition that unless you get the people of Northern Ireland to take some responsibility as a region with a regional administration like the Lander, like the Spanish and so on, if Northern Ireland doesn't have that possibility, its in deep trouble - it just becomes an absolute backwater". His personal ideal was that "over a considerable period of time we would move to a situation where Europe is not a Europe of nation-states, but is a Europe of the regions in which Northern Ireland is a region and has a regional identity".



Some EU Commission representatives also adopted this perspective, stressing that the sub-state regional dimension was emerging as the corollary of the supra-state EU dimension in post-1992 and post-Maastricht politics. The momentum towards economic and social harmonisation, begun under the SEA, was seen as driving forward the more political dimensions of integration. For some European Parliament officials the Maastricht Treaty was a side-show to the main attraction which involved the autonomous development of sub-state regions and of EU institutions in the EU political economy. Some Commission officials agreed, also stressing the inexorable and irreversible emergence of the 'regional dimension' in EU politics - arguing for instance, that the soon-to-be established "Committee of the Regions" would very quickly gain an overarching political profile in EU politics.

Overall, political parties in Northern Ireland and officials and representatives in Brussels interpreted the development of the EU in the light of their particular political positions. In doing so, they constructed versions of the EU that drew on strands of international relations theory, enabling them to maintain ideological stability in the face of rapid, perhaps transformative changes in EU politics. These various positions helped political actors in developing a consistent and coherent response to the question of whether EU integration was having any discernable impact on the national conflict, and if so, in what way. These perspectives are discussed in the following sub-section.

### *Interpretations of the impact EU integration on the national conflict*

Just as the various positions taken on the nature of EU integration reflected the political actors' attitudes to 'national' state sovereignty, so their arguments on the impact of EU integration reflected their positions in the conflict. Again, several sets of arguments and counter-arguments were elaborated in the interviews. Most popular, were arguments that the politics of regional development and the politics of 'national' sovereignty could be separated. Alternatively, there were other arguments which saw the implications of the SEM and European



integration in terms of a triumph for Irish nationalism or, less convincingly, for Northern Ireland Unionism. Less divisive were suggestions that cooperation on economic matters in the SEM would necessitate political cooperation, increasing the areas of common interest between the contending national groupings, thereby deflating conflicts between them. According to this approach, Nationalist or Unionist triumphalism was the problem and European integration was the solution. Finally, the most hopeful or idealistic argument was that national states, and along with them, the national conflict in Ireland, would be superseded in a 'Europe of the Regions'. Again, these stands of opinion are not party political or official positions, and interviewees often spoke in a 'personal' capacity, and drew on a variety of viewpoints.

### *Separating regionalism and nationalism - No impact*

Among the strongest expressions of the dichotomy between regional economics and national politics were arguments which, for a variety of reasons, sought to ignore or deny causal interrelationships - thus separating 'non-political' socio-economic issues, defined in an all-Ireland regional framework, from the politics of the national conflict. As was pointed out in Chapter 6, in discussing the opinions of representatives from trade unions and from the business community, the separation of the politics of regional, North-South economic integration from the politics of national conflict, allowed leaders on both sides of industry to adopt a 'non-political' posture, minimising the risks of provoking political disagreement within their own constituencies and beyond.

EU officials were also under pressure to sidestep the 'national question' and present EU policy-making as a technical rather than a political process. They generally agreed that issues of national identity, particularly in Northern Ireland, appeared to have been unaffected by the EU, and some felt that the wrong approach may have been adopted. Rather than relying mainly on a strategy of intergovernmentalism linked to functional cooperation on 'bread and butter issues', the Commission should have directly addressed the 'high politics' of



national identity and state sovereignty which still dominated the politics of European states, especially in Britain and Ireland.

This was also reflected in the position of the British representation in Brussels, although for different reasons. Issues of North-South cooperation were largely separated from the logic of conflict: cooperation in Ireland was motivated by a concern to resist the threats posed by the SEM and was founded on insecurity and fear of isolation in the market of 320 million, not by a concern to resolve the conflict. The EU did not affect the central issue of contested sovereignty, nor did it define "non political" middle ground between contending parties, in his opinion it simply mapped out new areas of possible cooperation and joint action. Some in the Commission agreed, arguing that the EU could not solve the conflict because it was still basically an intergovernmental grouping of national states, each jealously protective of its own sovereignty.

Amongst politicians in Northern Ireland this was primarily a Unionist argument as it permitted support for economic integration apparently without having to shift political ground on the national question. For the 'hard-line' unionists in the DUP, pragmatic support for cross-border economic initiatives could be combined with repeated demands to 'seal the border' for security reasons. One DUP spokesman went so far as to describe the joint submissions of nationalist and unionist MEP's, not simply as pragmatic attempts to get resources for the North, but as cynical attempts at deceiving officials into believing that they were helping to bridge sectarian divisions in Northern Ireland.

Given the political aspirations of nationalists, North-South linkages would always have to remain 'low-key' and primarily technical rather than political. As one DUP representative argued - "it just comes down to the basic situation that we're either a region of the UK - or we're not", clarifying that "we would, our Party would, certainly would be very, very opposed to anything that dilutes Northern Ireland's status as a region of the UK, in Europe". Unlike for instance, between France and Germany, where links could be seen in purely economic terms, "in the Irish context any links between North and South... inevitably have political implications... in many cases, rightly so".



The UUP agreed, although representatives were generally more aware of the potential benefits of joint working on a North-South basis. One UUP spokesman went so far as to accept that Northern Ireland's farmers and industrialists would be better off economically in a united Ireland, but qualified his own statement with the observation that "man does not live by bread alone" and that national identity was of over-riding importance. Although farmers and industrialists may benefit from a united Ireland, they would still vote for the Union. Meanwhile, the UUP MEP argued that North-South cooperation could never be properly progressed until the political conflict had been resolved - "if we were able to get to a new position of understanding... then maximum cooperation would be a whole lot more easy".

For the leader of the Alliance Party the dichotomy lay in the contrast between "irrational and primitive" nationalism and rational economic behaviour. He dismissed the idea that the latter automatically influenced the former - arguing that the "real" problem in Northern Ireland was the lack of democratic institutions - that keep "normal" politics off the agenda and restrict politicians to oppositionalism rather than responsibility. Only once these issues had been directly addressed would the EU have any prospect of a role in the conflict.

The Party's former leader, now a Fine Gael MEP for a Southern Constituency, distinguished three "levels" to the conflict - local, national and European - and argued that each had an impact on the other, but problems specific to each level should be directly dealt with at that level: any attempt to deal with them indirectly would exacerbate the problem. The EU generated a "politics of the head" which was fairly independent of the "politics of the heart", and as it was the latter which dominated in the national conflict, it could have little impact on it. Instead of having resolving the conflict 'on the ground' in Northern Ireland, the EU dimension simply replicated it at the EU level - with the SDLP seeking recognition for Northern Ireland as a region of Ireland and Unionists defending its status as a region of the UK - thus leaving little room for its more positive impacts. Thus EU-related issues should be kept firmly separate from primarily internal political conflicts in Northern Ireland and vice versa.



If some Unionists expressed hostility towards EU integration because they feared that it might lead to a united Ireland, Sinn Féin spokespersons expressed hostility for the opposite reasons. In their view the EU could have very little effect on the main cause of the national conflict, defined as "British occupation of Irish territory". There was a conviction that, regardless of EU developments, as long as Britain was in occupation of Northern Ireland, the nationalist and republican community would still be harassed in their own streets by British soldiers. The EU was seen as undermining the Republic's neutrality, forcing it into a pro-EU, pro-US position, severing its links with other post-colonial states while in the North, the EU-inspired AIA was seen as legitimising increased anti-Republican repression. As for the future, representatives feared that increased peripherality in the EU and associated increases in unemployment and further reductions in wage levels would be most sharply felt in the nationalist community. Those advocating a "Europe of the Regions" were criticised for failing even to notice Partition, as were the Dublin-based technocratic nationalists, who were seen as apologists for the Republic's failure to act on behalf of the Northern nationalist community.

The Irish Communist Party also defined the problem as Britain's underwriting of Ireland's partition and argued against any reliance on the EU to provide an automatic solution. The Workers' Party representative agreed - but differed in arguing that the central problem was not the British presence or the lack of North-South integration but the political conflict between nationalists and unionists in Northern Ireland - focused on working class communities largely untouched by the process of EU integration. Just as all-Ireland sporting activities, in sports dominated by the middle classes, could exist side-by side with national conflict, so North-South economic integration could develop in relative separation from the central issues of the conflict.

For the Workers' Party, the changing position of unionist parties on North-South issues was seen as largely insignificant - stemming from business pressures and reflecting "an attempt to protect themselves from this criticism that they are obstructionist... they are very conscious of criticism of unionism as backward and uncompromising". The



mistake would be then to assume that this influenced the conflict, as such North-South integration "doesn't address the fundamental political divisions that exist within Northern Ireland", in fact it may have exacerbated them, as those advocating integration were seen as attempting to "rehash old nationalist arguments".

There was something to these various arguments, but many of the politicians and interest groups involved, whether in Belfast or Brussels (or for that matter in London or Dublin), were relying on a false distinction between 'the economic' and 'the political', or between 'rational' and 'primitive' - a sharp separation, constructing a duality between the processes of regional development or integration and what were deemed 'political' issues such as state sovereignty and national identity. Certainly some believed that a sharp distinction existed while others clearly used it as a means of insulating themselves from political controversy.

### *Nationalism triumphs*

In contrast with this interpretation, some MEPs and Commission officials argued that EU integration would encourage Irish unity. It was argued that regionalist politics heightened a sense of shared peripherality in Ireland as a whole, thus eroding the administrative power of London. A reduction in the social and economic meaning of the border would lead to a whittling away of the socio-economic foundations of Protestant and unionist ascendancy in the North, gradually diminishing the significance of 'the Union' for people in the North. In having to concede that economic and social integration was necessary, Unionists would then become less and less able to defend their political position on economic or social grounds. In this scenario the EU was expected to further undermine the social base of unionism, paving the way for a political reunification of Ireland.

Some politicians in the North - particularly some constitutional Nationalists - agreed. Some representatives of the SDLP argued that EU integration was undermining the traditional definition of Northern Ireland as a region of the UK and was making the unionist political position untenable. As EU integration deepened, the contradictions



between, on the one hand maintaining existing links with Britain and, on the other hand, the pursuit of Northern Ireland's economic interests would intensify, forcing realignments in Unionist politics.

The Communist Party saw great promise in the prospect of deepened economic links with the Republic, arguing that "at this point in time that is one of the most fruitful things... because the one island economy will have its political results". For the CPI unionism was founded on an alliance that included "the landed aristocracy ; basically the ascendancy, businessmen, workers - the slogan was 'there'd be grass in the shipyards if you get home rule' and the farmers - 'well your markets in the British empire - how are you going to get your goods sold?' - and this was the economic reality that was built into the political force that created the conditions for Partition to be established". The party argued that the material base of unionism had been undermined by the reversal of 'uneven development' between what was previously an industrially ascendant North and a 'rural' South. With the qualification that the "central political question still has to be addressed" - it was anticipated that further economic convergence would help to highlight the purely political nature of the border by underlining the question "what the hell have we got Partition for anyway ?"

Some of the more optimistic Sinn Fein representatives also subscribed to this general viewpoint. While prefacing their comments with the assertion that the only basis for peace in Ireland was to get rid of the British-guaranteed sectarian headcount in the North, some representatives suggested that EU institutions could assist the two governments in obtaining Northern consent to Irish unity: as one representative argued, "if the intervention is a negotiated one and a democratic one and is actually based on on a programme that is designed to facilitate the emergence of agreed democratic structures in Ireland then I think that it could be a positive one".

The existing, impoverished level of political debate existed as, "in Ireland we have two truncated states and each of them in their own way very inward-looking and conservative, reactionary, in some aspects even fascist - you know - and certainly no culture of political discourse". The EU could help to address this problem and assist in the



decolonisation of Northern Ireland, by offering a neutral reference point for negotiations, under-writing human rights and assisting the socio-economic transition in Ireland as a whole, as well as encouraging more progressive forms of North-South dialogue and socio-economic integration - that would begin "to take on a political dimension because it's clearly the basis of more cohesive political structures - social and economic cooperation".

Some commentators in Brussels also suggested that EU institutions could develop such a directly political role, perhaps by guaranteeing individual and communal rights. In particular, the EU role in peace negotiations in the former Yugoslavia, particularly in administering "safe zones" for instance in Mostar and its role in devising the conditions for minority rights and regional autonomy under which former Warsaw Pact countries would gain "associate" status and eventually full membership of the EU, were seen as having potential implications for its role in Northern Ireland.

### *Unionism triumphs*

Nationalist 'triumphalism' about the EU, however long-term or qualified, tended to fuel the insecurity of unionists as a minority within Ireland and increased their antipathy towards EU integration. One response - from a minority of 'integrationist' unionists, mostly in the UUP and in the British-based Campaign for Equal Citizenship - was to argue that the EU would dilute Irish nationalism, favour unionism and reintegrate Britain and Ireland.

Such 'liberal' unionists were wearied, rather than angered by the SDLP insistence that EU integration would lead to Irish unity. Instead, they argued that after 1992, "no one will care about the border". It was anticipated that 'Europeanisation' would break the essentially nationalist link between cultural identity and political allegiance to a particular state: existing states would remain in place, but Irish nationalists in the North, for instance, would be able to feel fully 'Irish' in cultural terms without the need for a united Irish state - although the same argument is not made for unionists.



This, it was argued, would encourage the Southern political establishment to further 'revise' its traditional aspiration to Irish unity; allowing a partitionist 26 County nationalism' to further displace the '32-county' version, already contradicted in practice by the workings of the Southern state. In this scenario, the EU was expected re-integrate the Southern and the British economies and to foster 'normal' (that is, non-nationalist) politics in Ireland, bringing the Republic back into the European 'mainstream'. Hence, integration and cooperation in the EU were seen as institutionalising and stabilising the constitutional status quo, not subverting it.

### *Deflating the conflict*

Other, much more widespread approaches, similar to the arguments that the EU was 'de-nationalising' the conflict, although much more even-handed, suggested that the process of integration mapped out a non-controversial political 'middle ground' and thereby deflated the conflict. Co-operation on economic matters in the SEM was seen as necessitating political co-operation between North and South and helping to reduce sectarian divisions in the North.

This was reflected in the dominant Commission view that the EU needed to preserve as sacrosanct the 'neutral ground' that economic developments had opened up between North and South, while at the same time extending the range of issues defined as unconnected with the 'national question'. Unionists and nationalists were seen as distorting the reality of the EU for their own ends, some unionists still claiming it was a 'papist plot', others denying that it affected national sovereignty, while some nationalists greatly exaggerated its implications for North-South integration. This notion that EU integration was creating a wider area of 'non-political middle ground' had widespread and often enthusiastic support amongst officials working in EU institutions. For some, it was anticipated that European regionalism would have an impact on the conflict but stressed that no directly political role was possible. Thus, although the EU may have effected a broad political transformation across the EU, this was kept relatively separate - "above" or "sidestepping" - the politics of the national



conflict. Nonetheless, it was seen as having significant impacts, particularly in terms of changing its context.

Those more committed to European ideals argued that the Commission had a responsibility to strengthen this emerging regional context. It needed to reassess its role in Northern Ireland and take a more active lead in responding to the demands of business for North-South economic integration. Where this raised issues of political accountability, requiring a line of all-Ireland political responsibility, this would force politicians, North and South, to work together to draw up a joint programme to meet EU objectives. Should this be blocked by the British government the Commission should waive the subsidiarity rule - at least as it applied to the Republic and Northern Ireland - to allow EU officials to draw up the required programmes in consultation with the two governments and with local interests.

In general terms though, a less interventionist approach was favoured by most Commission officials and MEPs. It was argued that EU institutions would have to "take sides" if they were to have any direct impact on the conflict, which would serve only to polarise the conflict - not resolve it. While the European Parliament had at times demanded some action, the Commission had wisely kept a low profile. One official recounted how close the Commission had come to taking action on Northern Ireland following the EP's Haagerrup report, which had suggested that there was a need for the Commission to oversee negotiations on Northern Ireland. The President of the Commission at the time - Gaston Thorn - had adopted an ambiguous position on the report which only served to heighten speculation as to what it would propose. His advisers had to plead with him not to call for an active EU role in negotiations as the feeling was that this would destroy what little joint working the EU had been able to establish in Northern Ireland - through the new Commission office in Belfast, one of the first to be established outside of the EU capital cities. As a result, there were some substantive proposals developed but in the event these were never presented to the Council of Ministers as instead, the Commission opted for a more indirect role in the politics of the region.



For some MEP's this tentative edging towards direct political intervention - as implied in the European Parliament's investigation into the "political situation in Northern Ireland" (the "Haagerrup" Report) - was seen as potentially very damaging and the Commission's eventual decision to resist prescribing a particular solution, or even to define a role in assisting negotiations, was welcomed (European Parliament 1984). The decision to fund economic and social measures on a cross-border and all-island basis - was seen as particularly significant - as it opened up a realm of "common sense" cooperation that was leading, it was hoped, to local management of cross border resources - for instance on a Newry-Dundalk or a Connaught-Ulster basis. At the political level, the EU was seen as re-contextualising the conflict and shifting the political positions of participants - of the SDLP towards notions of regionalism in Europe and the unionist parties towards getting the best for Northern Ireland at the EU level, but no more than that.

Officials stressed the minimal room for action by supra-national authorities - the two parts of Ireland may have both been designated as "Objective One" regional funding regimes and administered from the same Commission office in Brussels, but officials in the unit took instructions on the two separate national plans from the UK and the Irish representations in Brussels and officials emphasised that in the first instance, they were responsible to the UK and Irish representatives in the COREPER. Unusually for EU member states, there was little counterweight from regional bodies, either from the Republic or from Northern Ireland. The newly created Northern Ireland Centre in Europe was seen as a partial corrective to this, as was the Dublin-based Irish Business Bureau, but non-government interests within the two parts of Ireland remained relatively under represented - in contrast with other parts of the EU where elected regional representatives would commonly offer an alternative perspective on their governments' regional development plans. Hence the Commission had greater difficulty in making alliances with regional groupings in Northern Ireland and in the Republic, and consequently had less autonomy in relation to the two national states.



With Commission autonomy thereby diminished, the Commission officials were faced with a dilemma. Either it saw its lack of a role in North-South relations in Ireland as an exception or it sought to emphasise the less direct means through which EU integration was bringing the warring parties together on "the island of Ireland". The second approach was generally preferred and was expressed in the Commission's optimism that EU integration would bring some benefits in terms of offering a different context for parties to the conflict - in a Europeanised and regionalised 'island of Ireland'. While doing so, officials were forced to recognise that EU institutions could have no discernable direct impact.

Commission officials involved in managing the INTERREG project argued that the EU had a role in improving North-South linkages and addressing the lack of participation from democratically elected representatives, particularly in the border areas. But this role had to be indirect: while it was acknowledged that the Commission had a responsibility to assert its right to take a political role in the conflict, this could not be taken to include direct intervention. Hence it was argued that the EU encouraged and empowered those arguing for greater economic and social integration in Ireland and, as stressed by some long-time Commission observers of the impact of EU integration on the conflict, inducing a longer term "feedback loop" into the intergovernmental political context and thereby having a significant, indirect impact on the conflict.

The Commission had seen the conflict as a blemish on the EU objective of encouraging peace and reconciliation in Western Europe - as recent as 1993 the EU President had demonstrated this as, when he was unable to attend a Commission-sponsored Networking Conference to be held in Belfast (due to ill health), he not only sent his Deputy but also rescheduled his visit for the following week. This was seen as reflecting Commission concerns - a form of indirect political pressure that since 1972 had an initially unintended "feedback" effect, particularly on British but also on the Republic's policies in the conflict, inducing a range of practical and ideological shifts in the two states' policies and in the political demands being made 'on the ground', North and South (argued in Section 3).



Some political representatives from Northern Ireland also favoured this interpretation, usually in preference to more directly political impacts. While not addressing the central problem, the EU was seen as perhaps knocking off the corners or blunting the rhetoric of nationalism and Unionism - as the Workers' Party representative suggested, "it can be part of a process whereby people can remove the old stereotypes and shackled thinking that they were brought up with... modernising social attitudes". Countering these more optimistic arguments, though, was the point made by a number of Northern Ireland politicians, including from Sinn Fein and the Workers Party, that this 'middle ground' or 'new context' had little impact 'on the ground', particularly on the various republican and loyalist paramilitaries and the mainly working-class communities from which they were drawn. Indeed, such EU-related developments, rather than helping to solve the conflict, may have helped the much more limited objective of marginalising and containing it within particular parts of Northern Ireland - what many commentators see, and criticise, as existing official policy (Rolston 1991; Ruane and Todd 1991).

### *Conflict superseded*

Finally, there was the view that EU integration would create a 'Europe of the Regions' that would supersede the existing Europe of 'nation states' and in the process, would dissolve the national conflict. According to this interpretation, European federal institutions would erode the 'nation' state 'from above' while regional forms of sub-state government eroded them 'from below', leading to the formation of a new EU political system that would be more able to accommodate "diversity and difference" (See Kearney 1988). A prime cause of nationalist conflicts, the state-centred framework in which national separatism and irredentism were the main alternatives, would thus be removed.

This approach was favoured by some EU officials, for instance in the European Parliament, who argued that the EU defined a new context for the expression of national and regional identities and offered a positive, regionalist alternative to the state framework in which separatism was



the only means of opting out of current political arrangements. Others in the Commission suggested that the new EU framework was progressing with an irresistible logic that was dragging states into the new regionalist context. The notional division between constitutional sovereignty and the pooling of individual states' competencies on economic and social issues at the EU level was seen as setting up a false dichotomy between states and the EU: in fact they were bound together into a single movement that was dramatically redefining the meaning of political authority in the EU.

The SDLP and particularly its leader, John Hume, was closely associated with this interpretation of the EU. In general terms, the Party argued that EU regionalism offered a model for reconciliation in Ireland - as the leader argued - "my thesis throughout is that if this model can bring the French and the Germans together why can't it bring us together". Aware of the argument that regionalising Europe might simply reproduce rather than supersede national conflicts, Party representatives emphasised that the EU was integrating the regions within a more unified Europe, not simply encouraging regional diversity. In this vision of a new Europe, shared by some of the more federalist-minded officials in Brussels, the issue of whether Northern Ireland was primarily a region of the UK, of Ireland, or of the EU, would simply become unimportant as the constitutional issue was redefined out of existence or at least was completely recast so that there were no longer any 'winners' or 'losers'.

Consequently, the SDLP argued that the removal of borders in the EU would lead to the demise of "petty nationalism". Representatives stressed the need for regional diversity within European unity - a unity that was able to "accommodate and promote diversity" - avoiding the twin pitfalls of exclusivist regional identities and of monolithic EU identity. Party representatives saw no tension between this and the nationalist aspiration for North-South unity, emphasising the broad consensus in the South in favour of European unity and identifying the move away from exclusivist state-centred political identities within a regionalised EU, as offering the best hope for peaceful resolution of the national conflict. For the SDLP leader then, "the movement towards an ever closer union completely changes the nature of the Irish problem".



In discussions with the IRA and Sinn Fein leadership, he had sought to persuade them that in the new EU context Britain had no interest in Ireland and hence the problem was not the British presence, but "the existence of a divided people which is a completely different thing", adding that "whatever justification there might have been for their methods against the British presence, there is no justification when the problem is healing the wounds of a divided people".

Not only did Britain no longer see Ireland as its strategic "backwater" in the new, peaceful EU, but also it was now a partner with the Republic, "together in the new Europe sharing sovereignty". EU integration, it was argued, had led to the demise of national sovereignties in a new interdependent, quasi-federal 'Europe of the regions' as, "in a lot of ways the nation state has outlived its usefulness and we have moved on from the nation state from independence, into interdependence". Taken together, these factors "change the whole nature of the problem" in Ireland - "so that what we have, the problem that we now have to solve, is a divided people - full stop".

Some interviewees however, were sceptical about whether a 'Europe of the Regions' would materialise, or, even if it did, whether it would solve the Irish conflict in the ways suggested. The hope that "a Europe of the Regions would descend like Mary Poppins to resolve the conflict" was seen as completely unrealistic by the less federalist-minded EU officials. The EU may have generated a new politics of regional development and blunted some nationalistic rhetoric, but a 'Europe of states' was likely to remain the dominant reality.

On the other hand some of those more favourably disposed towards a 'Europe of the Regions' feared that its potential to solve national conflict would be lost if the European 'ideal' was manipulated for nationalist ends. These anti-nationalist EU regionalists criticised the SDLP for conflating the concept of 'European unity' with its own nationalist aspiration to 'Irish unity'. This was a particular theme of Alliance Party representatives, one of whom argued that the SDLP "wobbled" between a cosmopolitan, European, anti-nationalist stance and a parochial adherence to traditional Irish nationalism.



Other Unionists were also generally scathing, though at least partly because there were fears that in some senses the scenario might have been accurate. The Unionist concern was to preserve Northern Ireland's status, first and foremost, as a region of the UK. Partly for this reason, 'devolutionists' in the Unionist camp (unlike some devolutionists in Scotland) had not linked their demands for a devolved Northern Ireland Assembly to a 'Europe of the Regions'; for instance stressing that their participation in the proposed EU "Committee of the Regions" would only be as part of a UK delegation.

The SDLP scenario was more directly condemned as unrealistic "hogwash" and "wishful thinking" by some representatives of Sinn Féin, its rival for the North's nationalist vote. The SDLP was seen as elitist and as not engaging in the real issues affecting the nationalist community and as consequently clouding the real political issues raised by British occupation of the 6 Counties.

Overall then, some interviewees adopted an 'avoidance' strategy, ignoring or denying interrelationships between EU integration and the national conflict, fearing or disliking the implications which economic integration held for their own political positions. Others deployed triumphalist arguments that the EU would resolve the conflict in their own favour, whether Nationalist or Unionist. There were arguments which suggested that it was increasing the area of non-controversial 'middle ground' between Irish nationalists and unionists. Finally, there were arguments that 'Europeanisation' would supersede these triumphalisms, rendering the national conflict historically redundant, in a new 'Europe of the regions'.

### *Chapter Conclusions*

Politicians and EU officials interpret 'Europeanisation' to suit their own political ends. The first part of this Chapter identified several perspectives on the EU integration process: a Europe of independent states; Europe of states in the EU; a capitalist bloc; a Europe of the regions; a federal Europe. Each of these draws on a particular aspect of international relations theory and offers a perspective on the



integration process which political actors can use to account-for or explain away their attitude to it, thus offering an "interpretative repertoire" of the EU integration process (Potter and Wetherell 1992).

The second part of the Chapter examined more specific interpretations of the role of the EU in the conflict - which were, to a degree, influenced by these wider perspectives. Again, there were several positions, including those suggesting that it would have no impact; that unionism would 'triumph'; that nationalism would 'triumph'; that the conflict would be deflated; and finally those suggesting the conflict would be superseded. These positions can be summarised as follows:

**Table 11.1: Interpretations of the EU and its impact on the national conflict: political parties and EU institutions**

Political actors	Interpretation of the EU	Impact on the conflict
DUP, SF, CPI, UUP	Europe of independent states	No impact
UUP, DUP, Alliance	Europe of States in the EU	Unionism triumphs
CPI, SF, (WP?)	Capitalist bloc	Nationalism triumphs
WP, Brussels officials	A Federal Europe	Conflict deflated
SDLP, Alliance	Europe of Regions	Conflict superseded

To a degree this suggests a fluidity between the various positions, with some political representatives falling into two or more categories. This is true of all the political parties except the SDLP, although some unionists argued that its interpretation would be more closely aligned with the 'nationalism triumphs' than with the 'conflict superseded' category. Similarly, officials from EU institutions fall into a variety of positions, although the dominant interpretation, as noted earlier, is that the process of EU integration will deflate the conflict. This may imply that these various interpretations, and the assumptions about



international politics that they reflect, are simply chosen by political actors according to the circumstances.

Nonetheless, despite the eclecticism that this may imply, political actors - for instance, from the DUP, the Alliance and the Workers Party - do tend to express a preference for a particular interpretation, although 'in practice' they may be forced to accept a 'second-best' option. This highlights the degree to which opinions about the role of national states in the EU and its expected impact on the conflict are mutually supporting and thereby help political actors to construct consistent and coherent political preferences.

These various interpretations of EU politics - the "interpretative repertoires" available to political actors - are employed to support particular positions in the national conflict and to stabilise them in the face of political questions posed by the process of transnational integration into the EU 'global region'. The various political actors actively construct these relatively stable political interpretations - thus reproducing conflicts over the national question and extending them into disputes over the question of how EU integration affects states sovereignty and the national conflict.

This political disagreement is contradicted by the relative consensus on issues of North-South economic cooperation - as outlined in Chapter 9. This contradiction generates sharp political dilemmas for political actors that force significant shifts in political positions. This process of ideological disruption and political realignment is discussed in Chapter 11.



# Chapter 11

## Contradictions and realignments

This Chapter combines and extends the analysis of Chapters 9 and 10. Chapter 9 outlined a remarkably broad consensus that much greater economic cooperation between the North and South is needed to meet the threats posed by the SEM. In stark contrast to this consensus, Chapter 10 highlighted deep political divisions on the question of whether the EU integration process affects national states and the national conflict. Here the focus shifts onto the tensions between these two policy strands. It is argued that political actors are faced with deep political dilemmas between embracing regional integration and maintaining national divisions. In order to reconcile or avoid such dilemmas, they draw on various rhetorical devices which expose the logic of how nationalism and national conflict is realigned and reproduced in an increasingly regionalised or transnationalised context.

The Chapter is divided into two subsections. First it examines the various forms of political dilemma faced by politicians and EU officials. Several general types of dilemma are discussed, each of which is associated with interviewees from one or more political party or EU institution. Second, it discusses the various types of rhetorical devices that are used to reconcile these dilemmas. It is argued that two tendencies dominate - a tendency to re-define the emerging EU regional agenda in national terms and a tendency to construct an unchanging 'traditional' national identity. These rarely succeed in reconciling the political dilemmas, leading to heightened mutual suspicions and sharpened national conflict. This is followed by some attempt at assessing the differences between the various political actors, in terms of the intensity of the dilemmas that they face and the types of rhetoric that they rely on. The Section conclusion attempts to assess the degree to which the various attempts at resolving or avoiding these dilemmas are successful.



## *Political dilemmas*

Conflicts between unionists and nationalists over what the "European dimension" means for 'domestic', Northern Ireland politics reflect wider ideological struggles over the definition of European integration being fought out in member states across the EU. The reinterpretation of the EU "dimension" to suit party political ends and to shore up existing political constituencies is in itself not very different from 'national' conflicts at member state level in the Council of Ministers and at the European Council.

Clearly the political tendencies in Ireland draw on the ideological repertoires expressed in wider conflicts over the future of the EU. Where the divisions over the EU role in Ireland's national conflict differed is in the degree to which these positions are internally contradictory and produce deep ideological dilemmas. This reflects the quasi-colonial themes of Ireland's ongoing political development - or lack of development - which sharply contrast with the often colonising histories and the mostly metropolitan development paths of other EU member states.

Several such dilemmas can be identified, each broadly linked to a set of political actors. These are discussed to illustrate the range of positions, beginning with political actors most hostile to EU integration, namely the 'loyal statists' in the DUP; followed by the pragmatic 'EU statism' of the UUP; the 'tactical republicanism' of Sinn Féin and the CPI; the 'reluctant statism' of Workers Party and Alliance spokespersons; the 'hands off federalism' of representatives from EU institutions; and finally, the 'Euro-nationalism' of the SDLP.

As with previous Chapters in this Section, these political strategies are by no means mutually exclusive, neither are they consistently articulated by individual representatives. Nonetheless, they do serve to highlight general political and ideological tendencies and help to pinpoint the exact nature of the political dilemmas encountered.

*The DUP: 'loyal statism'?*



DUP representatives oppose any diminution of UK state powers - or of any other state powers - and oppose UK and Northern Ireland membership of the EU. But at the same time the Party has been forced to become involved in the development and formulation of EU policies, as opting out of EU-related policy issues - deciding not to contest EU elections or abstaining from the political process at the EU level - would force its constituents to consult other political parties, driving the DUP to the margins of political life in Northern Ireland. Thus representatives are actively involved in and quite often claim the credit for maximising the benefits of EU membership for Northern Ireland.

As noted earlier, the Party described this approach to the EU as "milking the cow before killing it"; as a Party representative clarified, "we're opposed to the common idea of a closer union - a political union - so do we opt out and say we've having nothing to do with it - or do we getting there and strike the best deal from an economic point of view for Northern Ireland... have our voice heard and at the same time oppose the developments politically". This has forced the Party into constructing a false separation between the 'economic and social' consequences of EU membership, as opposed to its 'political' consequences - "we do not oppose crucial cooperation on economic and social matters - those sorts of issues - but we will oppose any sort of political integration". In clarifying why the Party opposed political developments at the EU level, a representative pointed out that "the SDLP were keen on the idea that Northern Ireland should be regarded as part of an all Ireland entity - saying this has no political implications - this is purely for [EU] funds and so on - and that the South could represent us - is all part of that same idea - and we very firmly said that would not be acceptable to Unionists. We could not have that...".

The political slogan of wanting to milk the EU "cow" and then kill it reflected these tensions in the Party's political position and leads to, apparently arbitrary, opposition to some EU-related proposals - for instance Quigley's proposal for the single all-Ireland budget line for regional funds. Others proposals are - equally arbitrarily - defined as non-political and as deserving of support, for instance the decision to



grant "Objective One" status to Northern Ireland with the Republic, which was described as by one prominent Commission official as the "most political" act of the Commission in Ireland. Effectively the Party wanted to 'have its cake and eat it'; by trying to 'have it both ways' it was forced into contradictory policy positions - as the Alliance leader pointed out, if you own a cow and become dependent on its milk, you don't kill it, you feed it.

### *The UUP: 'EU statism'?*

The UUP is caught on the horns of a similar, though less starkly defined ideological dilemma. It favours state-led economic integration, within which states would retain their powers and EU institutions would remain accountable to 'national' parliaments. This reflects its British nationalist, integrationist position in the national conflict, in which an EU role in Northern Ireland is accepted, provided that such a role is determined and mediated by the British state. Any autonomous Northern Ireland role as a region of the EU - rather than as a region of the UK within the EU - is condemned, as is any joint action by political authorities in Northern Ireland and the Republic, in representing the interests of the 'province' at the EU level.

Like the the DUP, Party representatives were effectively forced to pragmatically accept the definition of Northern Ireland as a region of the EU. While this meant that they accepted the regional dimension for Northern Ireland politics as it related to EU issues, this was kept separate from the politics of the national conflict. The UUP MEP clarified that - "I take a perhaps simplistic view - that at the end of the day I have got to live with whatever it [ie - the EU] is - and work within it. The one thing I'm convinced of is that the UK is not going to come out of Europe", arguing that "as long we're in the UK we're going to be in Europe".

This pragmatic view is often in direct contradiction with the Party's 'Euro-sceptical' position on the question of EU integration - as expressed by Party representatives in Westminster. This presented difficulties - as the UUP MEP said, "I get on with whatever they [the UUP MP's] decide. I can live with it. At the end of the day that is to some extent ducking



out of it". Avoiding the issue in this way was seen as the only means of maintaining credibility, although there were some hopes of greater acceptance of EU integration - of "an evolution within the Unionist Party to where there was certainly more for than against".

In terms of the implications of EU integration for the conflict, like the DUP, the Party distinguished between its 'political' and the ostensibly 'non-political' aspects. This also led to some circular reasoning: the MEP for instance, suggested that "the problem that Quigley has - when he makes his proposals - is that they seem political - no matter how unpolitical he may try to make them". Party representatives favoured North-South cooperation - "what I've been saying is yes, have maximum cooperation to achieve whatever we can achieve out of that". But when it came to any suggestion that this logically led, for instance, to a joint North-South EU fund, distributed on an all-Ireland basis, there was vociferous resistance.

#### *The CPI and SF: 'tactical republicanism'?*

Sinn Féin and CPI representatives also faced dilemmas in making their positions in the national conflict consistent with their positions on the question of EU integration. Both parties were formally committed to the creation of a sovereign independent all-Ireland state and had campaigned against approval of the Maastricht Treaty in the Republic: their desired all-Ireland sovereign state would define its own relationship with the EU, in accordance with the expressed wishes of the Irish electorate, not according to the dictates of Treaties struck pre-unification.

The CPI maintained this commitment to an all-Ireland sovereign state although in practical political terms the Party had been forced to adopt a more pragmatic position. As the Secretary of the Party outlined - "we fight on aspects of legislation that are useful to us - obviously our campaign for withdrawal from the EC is not realistic - but that is our position of course, but we can't campaign on it - so we fight on single issues".



Sinn Féin had been forced into a similar position. As their representative argued - "what I am saying is that the reality is there, it [the EU] affects practically every facet of economic life in Ireland - and increasingly so - it dominates the whole economic debate in Ireland North and South - that's going to be the reality for the foreseeable future". This presented the Party with broadly four options - "if you have that overriding reality there's the question whether you must lament it; or whether you attack it; or you take a hands off policy; or whether you look for ways to use it to try and achieve a particular goal". At the time of interview (1993) the Party had been moving away from the second approach, a purely oppositional stance to the EU, towards the latter, as it adopted a more positive attitude towards the more progressive elements of EU policy, moving towards a more proactive EU political stance, seeking allies in anti-imperialist movements and political parties elsewhere in the EU and arguing for more effective North-South institutions in Ireland to express the shared interests of the island in the SEM.

This has clear implications for the Party's political programme for a united Ireland. In effect, the Party was arguing that the EU opened up political opportunities as well as threats - and was a useful political platform on which to argue for Irish self-determination and for all-Ireland unity. These opportunities suggested that the EU had much to offer, both in terms of defining the socio-economic context for Irish unity, and in terms of offering a source of political legitimacy and sympathy if not solidarity for the Republican cause. The implications of this for the Party's position on the national conflict had not been fully elaborated, but given the its reluctance to forego the commitment to an independent sovereign all-Ireland state, it appeared that it would have difficulty in overcoming what was likely to become an increasingly sharp ideological tension as the role of EU institutions and the Party's proactive orientation towards them intensified.

#### *The WP and the Alliance: 'reluctant statism'?*

The Workers' Party and the Alliance Party also have to deal with ideological tensions between their political positions on the national conflict and the process of regionalisation in the EU. Both parties



stressed the need for an 'internal' solution to Ireland's national conflict based on political agreement within Northern Ireland, but at the same time both adopted a positive political stance on the process of regional integration in the EU.

The tension between these two components was particularly sharp in the case of the Alliance Party. As an active member of the of the "European Liberal, Democrat and Reform Party" in the European Parliament, it adopted a Euro-regionalist perspective on EU politics, advocating a 'Europe of the regions' as its ultimate goal. But the Party resisted advocating this political approach as a solution to Northern Ireland's political conflicts - as the Party leader argued, the definition of what was and what was not the legitimate regional unit was heavily contested in Ireland. Advocating a regional solution would have forced the Party to abandon its ostensibly cross-community perspective on the conflict - as it would be forced to clarify whether the appropriate 'regional' unit would be the six Northern Counties or the 32 all-Ireland Counties and whether Northern Ireland's existing status as part of the UK or, alternatively, the aspiration to a united Ireland, should be consigned to the dustbin of history.

The Alliance then, wavered between its liberal unionist position on a possible solution to the national conflict and its liberal Euro-regionalist perspective on the issue of EU integration. Representatives attempted to resolve the tensions between these two ideological accounts by arguing that the EU had not progressed sufficiently down the regionalist road for it to merit having a role in the Northern conflict, with the ironic net effect of shoring-up the more statist interpretations of the DUP and UUP.

The Workers Party found itself in a similar position. As its representative argued, "we have advocated North-South cooperation within the EU, but at the end of the day if its not an agreement between the people of the Falls and the Shankill then its not going to work". He stressed that - "part of the mistake is to try and go outside of Northern Ireland looking for a solution and bring it back - it is here that the division exists and it is here that the solution must be found". Like the Alliance leader, he argued that EU integration, while positive, "still



doesn't come anywhere near addressing the fundamental political differences". Again, this plays down the political implications of the EU and thereby in effect supports the Unionist case for Northern Ireland's continued and unquestioned membership of the UK, undermining what is formally the Workers Party's ultimate political objective of politically re-unifying the island, North and South.

*The EU institutions: 'hands off federalism'?*

Officials and political representatives in the EU institutions, no matter how committed to the federal ideal, tended to advocate extreme caution on issues relating to Ireland's national conflict. As was mentioned in Chapter 9, INTERREG officials working in the Commission acknowledged that they actively sidestepped the national question in Ireland, despite the Commission's stated objectives. Hopes that the development of a supranational, avowedly federalist political authority would defuse inter-state conflicts and bring peace to Western Europe faced the reality of on-going political and military conflict in Ireland. The Commission had been unable or unwilling to take concerted action on the issue, but, as an official said, "can you blame them?".

Direct, Commission-led EU intervention in the conflict was impossible without the consent of the UK government, and in any case, it was not desirable. Commission and EP officials, and all but a handful of MEP's, viewed any direct involvement in the conflict with some trepidation. It was feared that the EU would become embroiled in a conflict that would taint its non-political, consensual image. While designed to make another European war an impossibility, the EU was not in the first instance an explicitly political, collective security organisation. Its primary agenda was technocratic, social and economic and only indirectly did it challenge the role of states in managing 'domestic' political conflict, at most setting parameters (for instance through the European Court of Human rights) rather than defining the content of state action.

This challenged the very logic of the EU's federalist project, suggesting that in so far as it had failed to have any direct role in Western Europe's most protracted and violent national conflict, it could hardly be



expected to have a significant impact on the national identities and state sovereignties that it presumed to supersede. This concern that perhaps Ireland's national conflict constituted a crucial 'test case' of the EU's potential to build a 'federalist' future for Western Europe was a constant theme in interviews with EU officials and MEP's. It paralleled a deeper questioning of the EU's functionalist, technocratic agenda which assumed that the sharing of material interests in a newly interdependent political configuration would lead to a diminution of cultural and ideological attachments to existing state structures - a concern that had been voiced by some of the architects of EU integration, notably Jean Monnet, in the face of the repeated failure to make the transition from the so-called 'low' politics of economic union to the 'high' politics of political union.

The Commission's - and to some extent the Parliament's - 'federalist' aspirations conflicted with their firmly 'hands off' approach to the conflict, leading them to retreat into a perhaps naive optimism in the expectation that the co-operative framework established by EU integration would have some discernable impact on the conflict. As was suggested in Section 3, there was certainly some substance to this claim, particularly in terms of its impact on North-South economic and social integration and on Anglo-Irish management of the conflict. But the dilemma remained a powerful factor - both in terms of exacerbating the fears of those opposed to such a role and in terms of raising the hopes of those expecting an EU-inspired solution to the conflict.

### *The SDLP: 'Euro-nationalism'?*

Like other participants in the conflict, the SDLP also had difficulty in reconciling its position on the national conflict with its broader perspective on EU integration. As has been highlighted, Party representatives favoured a redefinition of Northern Ireland as part of the "island of Ireland" in the EU, rather than as a region of the UK within the EU (or indeed as an autonomous Northern Ireland region in the EU). The Party then, was selectively committed to a particular manifestation of EU regionalism which was consistent with its aspiration to Ireland's national reunification.



Party representatives argued that "this piece of earth is already united - it is the people who are divided". The unified piece of earth was, of course, the island of Ireland and the division was between unionists and nationalists. Thus reconciliation had to be aimed at bringing together all the people of Ireland, in a joint sharing of interests. Irish people, North and South, should be seen as constituting a single decision-making unit in the EU, and, it was argued, should be given the power to define the meaning of regionalism in the island as a whole. Party representatives wanted to see "the people on the ground in Ireland as a whole having the authority". Whatever the proposed arrangements - whether there were nine regions in the Republic or four regions in Ireland as a whole - the crucial issue was that the "people on the ground [should] have the authority for the economic development of their own region".

This 'regionalist-nationalist' perspective presented the SDLP with some difficulties, as in some respects the two ideological trajectories are mutually exclusive - not least because increased national division in the EU would undermine regionalisation. By combining them in the context of intensifying EU integration, the Party was apparently moving away from a commitment to Irish unity in the formal sense of independent sovereign statehood. In the process, perhaps, it was attempting to redefine Irish nationalism.

For the SDLP then, the development of the EU marks an historical break as it replaces territorialism with regionalism and delinks states from their territorial jurisdictions. For the Party's leader, the linking of territory to national identity was the problem to which EU integration was the solution - "nineteenth century nationalism and what has happened down the centuries that led to two world wars - was based on a territorial concept and Irish nationalism and the provos are based on territorialism". EU regionalism allowed a move away from the certainties of sovereignty, towards a more fluid politics of regionalism - with a multiplicity of local units 'below', 'national' units 'in between', transnational units 'across' and EU units 'above' the pre-existing sovereign states. Within this fluidity the re-constitution of Ireland as a unified 'national' region was seen as the most hopeful, peaceful approach to resolving the conflict.



Overall then, the political and official actors who play the central role in defining the impact of the EU on the national conflict are caught in a series of dilemmas. These stem from tensions between their positions on EU integration and their role in the national conflict. In attempting to resolve these tensions, they draw on a number of rhetorical devices. These are discussed in the next sub-section.

### *Rhetorical Devices*

Interviewees made use of a number of rhetorical devices to reconcile these dilemmas. Some have already been mentioned - such as the tendency to draw distinctions between the 'economic' implications of EU integration and its 'political' implications. Here discussion focuses on three rhetorical themes that relate directly to the process of reproducing nationalism and national conflict. Politicians from Northern Ireland, rather than officials from EU institutions are the main source for this discussion, as the focus is on the ways in which positions in the national conflict are re-constructed in the light of EU integration.

The first two devices broadly reflect Nairn's image of the nationalist as someone who faces both forwards and backwards: defining a future for the 'nation' in terms of a mythologised past. Hence, politicians constructed a version of national 'progress' - defining a 'modern' national development path, whether for the 'island of Ireland' or for the UK. Second, and complementing this, they used versions of communal identity to anchor their political positions - defining themselves as reasonable advocates of 'their' community. Thirdly, the tension between these two elements of political discourse generated an over-riding mutual suspicion which could in some ways be functional as, by exaggerating the motives of 'others' from outside 'their' national grouping, politicians could more clearly define the boundaries of their 'own' grouping.

This sub-section investigates these three characteristics of the politicians' arguments in order to illustrate how nationalisms are



politically re-constituted, in spite of a general acceptance of the implications of EU regionalism for socio-economic integration in Ireland. In the conclusions the relative success of this process of reconstitution is assessed.

### *'national' progress*

The politicians were generally at pains to identify their position with 'rational', modernising processes. Social issues are "appropriated" in domestic political competition to mobilise the "national identity dynamic" and so are politicised as a 'stake' in the conflict (Bloom 1990:85). This results in ideological competition between political parties to gain 'ownership' of particular forms of social change. As the gaining of such 'ownership' redefines these elements of social change in 'national' terms, politicians engage in an intense ideological struggle to re-appropriate them.

The impact of the EU and regional integration in Ireland has been most successfully incorporated into the rhetoric of nationalist politicians in the SDLP. Their representatives stress the strength of the Party's European contacts and actively identify the Party with 'new' political relations in the integrated EU. As the Party leader argued, "our approach has been completely different in the sense that again [it] is in keeping with the whole new European thinking".

Sinn Féin also increasingly linked their arguments for all-Ireland economic development to EU integration. As one Party representative argued, the EU made it possible to "develop the internal market, to start to develop indigenous industry within Ireland to supply that internal market as a means of creating wealth as well as regulating the external relationships". As with the SDLP, the boundaries of mutual benefit matched the boundaries of the island, not the boundaries of the UK, nor the boundaries of the EU - and the "external relationships" included those with Britain and with the rest of the EU.

Defining EU integration in terms of all-Ireland economic prospects was combined with a linking of EU political integration with a all-Ireland political integration. As was illustrated in the earlier subsection, this



was a common feature of SDLP rhetoric: it also was increasingly adopted by Sinn Féin. As one representative argued, the EU highlighted the need for constitutional change - and would "facilitate the emergence of agreed democratic structures in Ireland" - in contrast with the current arrangements as he described them.

Unionist politicians challenged these Irish nationalist definitions of socio-economic integration in the EU, and attempted to redefine them, instead, in their own 'national' UK terms. The process of North-South economic integration in Ireland is seen as a secondary issue of relatively minor importance in comparison with the North's UK linkages. This is a common theme in the rhetoric of UUP representatives, who play down the significance of North-South economic integration and stress the importance of Northern Ireland's linkages with and through Britain into wider EU markets, an argument that is underlined by emphasising that the "new generation" is not interested in the South. In terms of North-South trade, it is argued that "there's not going to be much of an increase" and it is suggested that for "the new younger fry that are coming up now in the business world - we're breaking out of Ireland".

DUP representatives argued along slightly different lines, drawing a firm distinction between economic and political developments while identifying their Party with the process of improving economic conditions in Northern Ireland. For them business is not concerned with the political and constitutional implications of developments like the Maastricht Treaty and the ERM - "they're interested in what's in the best interests of business - you know - my share of profit". Whereas, responsible politicians have "to look at it in terms of - it may be in your interests - but is it in the interests of people, all the people of our country?". At the same time the search for wider markets for Northern Ireland business in the EU, including the Republic, is welcomed "there's a bigger effort... to get people to look beyond Britain... I think the more that that happens the better, in terms of investment, jobs, and in selling your goods and so on, we've got to be there".

These various attempts at linking political positions to 'progress', as one politician puts it - to "what's new" - strengthened the national political



ideologies of the main Northern Ireland parties. Politicians constructed versions of 'progress' that were consistent with concepts of national communal identity - a linkage that forced politicians into redefining, some would say distorting these concepts of 'progress' in ways that would not significantly disrupt communal affiliations.

### *'national' identity*

The assumed impacts of these developments were often explicitly set against constructed national identities. A number of the politicians defined themselves - often in personal terms - in relation to a usually static and unchanging communal identity. To a varying extent they distanced themselves from these concepts of identity, so as to appear reasoned and reasonable, unlike the 'extremists'. This has been identified as a common theme of official discourse (Burton and Carlen 1979), and amongst the politicians interviewed it was particularly important for unionist politicians, both 'loyalist' and 'liberal' unionists. This may reflect the logic of the unionist position, which forced politicians to more explicitly rely on notions of primitive, unchanging identity as part of the process of trying to maintain the status quo in Northern Ireland.

An Alliance Party representative, for instance, argued that "people fail to realise the depth of the primitiveness and the power of these nationalistic questions particularly when national, religious and political cleavages run along the same fault line - they form a very powerful group". In view of this, economic interests could only have at most a minimal impact on national identity. To illustrate the point he recounted an anecdote - "one my colleagues was visiting a hospital in the Republic of Ireland, and in discussing the much better facilities in the North his friend whipped round and said - Yes, but its our poverty... *laughter*... its our poverty, any wealth you have is something that has been given to you by somebody else. You can't possibly have this sense of pride". He was keen to distance himself from this view of national affiliation but emphasised that "the point is, he was saying there's something that's far more important than not having economic or social disadvantage... I'm simply saying that if you think that that is all people are about then you haven't learnt the first lesson about people".



Consequently, any attempt at creating North-South institutions with economic or social powers would "produce, without any shadow of a doubt, massive violence on the loyalist side, no doubt about it whatsoever".

DUP representatives identified themselves more closely with this constructed loyalist identity, arguing that unionists would "not be happy at all with anything that - sort of - dilutes our identity as a region of the UK in Europe - once you get this thing where Ireland is regarded as a single island - you're onto a very slippery slope then". On these grounds, even in the event the Republic repealing Articles 2 and 3, it was argued that North-South economic integration would be undesirable - "it's one thing to cooperate in our mutual interest and to work together, but why should you subsume your own identity in all-Ireland context, in an all-Ireland identity, I don't think we'd be prepared to go that far. We'd be quite prepared to support each other but we would not be prepared to give up our status or our identity".

When questioned about North-South integration and, specifically the proposal for a single EU budget for Ireland as a whole, the UUP representative came closest to directly referring to his own identity by objecting - "how can you agree to that, to joint control of the budget, when you have the other state saying in their constitution saying that we want to take you over - no bloody way - he's on a political hiding to nothing before he starts". This shift from the 'public persona' into the personal realm, as he directly identified himself as a barrier to such integration, was quickly reversed as he distanced himself from such a position - arguing that "it may well be that at a certain level - or echelon - in this Province - he would get support for that - from the great and the good the chattering classes, but out in the broad mass there he's not going to get support for that".

More positively, the expression of a specifically Northern Ireland identity at the EU level is favoured. UUP as well as DUP representatives lament the lack of profile for such an identity - although "Northern Ireland is in Europe - Northern Ireland is there - Northern Ireland is creating a regional identity - which the Scottish have, the Welsh have - the Irish have, the English have - people don't know what we are. We



are a sort of a hybrid somewhere - you're not really Irish no - you're not really English - no - I'm Northern Ireland".

Similar concerns about political identities in Northern Ireland were voiced by nationalist and republican politicians. There was significant difference though, as these identities were seen as changeable and shaped by political and social circumstances. In contrast with some of the more static constructions of unionist identity, the SDLP representative argued in favour of more freely defined national categories in the context of regional integration. He argued that - "if you study conflict anywhere in the world you will find the circumstances are different but that at the root of the problem is a fundamental refusal to accept difference and treating difference as a threat". The importance of the EU context was stressed, in which formerly 'national' affiliations were broken up into local and regional identities, unified by an overarching European identity in which it would become possible to share national and regional identities, making conflict a thing of the past.

For Sinn Fein representatives the central factor causing national conflict was the maintenance of the British constitutional guarantee: if "the British government actually say that it is their intention... to facilitate the exercise of self-determination for all of the people of Ireland, that immediately I believe changes the whole context". Without such changes, and wider changes in the Republic, the unionist and loyalist reaction against North-South economic institutions was logical and understandable: "the Laager mentality has been used to describe the unionist... community as a culture and a tradition that is under siege in Ireland is a very accurate one - they have very genuine fears and certainly the way that society has ordered itself in the 26 Counties, there is nothing whatsoever to allay those fears. All we can see is this very dominant Catholic ethos and a very intolerant and conservative society". Without constitutional shifts, in the first instance in the North, but also in the South, Sinn Fein representatives argued that unionists would become more alienated from the political system: as "the nationalist community... grow in strength" there would be a "kind of benign imperialism, just as threatening as the overtly oppressive forms".



In more general terms Sinn Fein representatives were optimistic about the ability of unionist politicians to transcend their traditional identification with Britain as British 'nationals', pointing out that - "there's no such nationality - you can be Scottish, you can be English you can be Welsh you can be Irish". Those within the unionist community, including prominent UUP and DUP politicians who had begun to formulate an Irish-British identity were seen as "a fairly strong pragmatic influence within Unionism that justifies the hope that this can actually be resolved by democratic compromise".

Overall, then, the construction of an unchanging communal identity is a central theme of loyalist and unionist political rhetoric. There were hesitant attempts at defining a hybrid Northern Ireland identity, but this was largely confined to the EU level - not least as in Northern Ireland such adaptation would be interpreted as a sign of weakness in the unionist community. Such redefinitions of unionist identity, even if confined to EU-related matters, indicated some movement away from the more monolithic conceptions of unionist national identity.

Constitutional nationalist and republican politicians were more inclined to emphasise the socio-economic or political context of communal identity. They argued that identities were shaped and reshaped by circumstances and drew some hope from the hesitant reformulations of Northern unionist identity. But more negatively, such optimism substantiated opposition to such 'weaknesses' amongst unionists and fuelled mutual suspicions.

For all politicians that were interviewed, the concept of identity was central to their political rhetoric and their use of it reflected their political position in the conflict. But at the same time the construction of a communal identity could lead politicians away from the depersonalised rhetoric of political discourse, exposing personal identity and personal interests, suggesting that they were actively willing the mythical homogenised communal identity into existence (Bhabha 1990), as a necessary component of their 'national' ideologies.

*'national' suspicions*



The two devices of 'national' identity and 'national' progress occur simultaneously, politicising regionalism as a 'stake' in the conflict and thereby fuelling mutual suspicions. In particular, unionist and loyalist politicians suspected that nationalist and republican views on EU regionalism were linked to the parties' 'national' political agendas. Similarly, nationalists and republicans accused loyalists and unionists of distorting the impact of EU to suit their narrow political ends.

Nonetheless, political struggle in the national conflict was not simply transposed into ideological competition to define EU integration in 'national' terms. On the contrary, across the political spectrum, regional integration was defined as in some way separate from the conflict, as something to be appropriated for 'national' ends rather than as something necessarily defined as part of the conflict. But rather than depoliticising issues of regional integration, this ideological gap between regionalism and nationalism made their meeting points an intensely contested realm of political life - as hidden motives were suspected on both sides of the political divide, generating intense mutual suspicions and fuelling political divisions.

These suspicions operated at (at least) two levels. First, politicians were suspicious of hidden motives. This was a particular theme for unionists and loyalists and again, this may have reflected the logic attempting to maintain the constitutional status quo in Northern Ireland. Nationalists and Republicans meanwhile, focused on responding to accusations of duplicity.

Even if in favour of improving North-South linkages on non-political, pragmatic grounds, loyalist and unionist distanced themselves from them for fear of encouraging nationalists. The DUP representative saw this as a 'Catch 22' situation, that - "causes a lot of resentment among many unionists - they say if something is a good on economic grounds then let it happen - don't always seek to use that and say well why can't the North and South get together - after all you are together - so that is what causes the wariness among many unionists - who say well you know what that is going to lead to - you know what is going to be said about it - you know what demands are going to come next". This



suspicion was also reflected in the DUP's account of the party's refusal to enter into negotiations with the Republic on the question of North-South institutions. Representatives argued that "there's no benefit for us in telling the South what we're going to do and they sit back and say well let's see what you're going to do first and then we'll think about removing Articles 2 and 3 or not...".

In similar vein, an Alliance representative argued that "the real question why the unionists are so congenital" was "that from the beginning of the century the British government has been doing its very best to get rid of the them... you're not paranoid if they *are* against you". The SDLP was accused of "making sure that you can't get any domestic resolution" and continually moving "to a position always two steps beyond what the unionists are prepared to offer". As for the unionists, if they started to compromise "they are putting themselves in the position where they have to move further in the next round of negotiations. If you have already said publicly I will accept that - then the next time you have already given away that ground".

Second, suspicions operate at the level of personal integrity, and like the process of constructing communal identities, this reactive suspicion can be highly personalised. The UUP representative for instance, voiced a no doubt genuine frustration - "the problem is when I open my mouth the comment is always 'he would say that wouldn't he'... unfortunately you get immediately tarred with a certain - things are tarred with a certain brush before you begin. What I was saying was misconstrued".

Surprisingly similar comments were made by nationalists - with the SDLP representative complaining that "what I say is that to people is don't call me political names but I say look at what I am saying and tell me what's wrong with it - an awful lot of this goes on - what I find in the Northern Ireland context is that they can't deal with the reason of your situation so they call you names instead". He argued that his position was shared by a range of people across Europe, unconnected with the conflict and "who know nothing about Ireland", and hence arguments that the SDLP enthusiasm for Euro-regionalism was "a subterfuge for Irish unity says something about those who are making that accusation".



Both these forms of mutual suspicion feed off the contradictions and consequent ideological tensions between the logic of national conflict in Ireland and the impact of regional integration in the EU, often leading to a sharpening of the political divide, rather than a closing of it.

Overall then, politicians actively attempted, but often failed, to construct a consistency in their ideological accounts, drawing on myths of national progress and of national identity. The element of redefining 'progress' in national terms allowed some adaptation to perceived political or social reality while the process of constructing communal identities helped to maintain political positions, making them highly resilient in the face of socio-economic change. These two rhetorical themes combined to exacerbate mutual suspicions, generating an internal, intensely personalised, political struggle that reproduced and in some senses exacerbated the national conflict.

### *Chapter Conclusions*

While ideologically incompatible, nationalism and regionalism are intertwined. Hence, politicians are forced to recognise the pressures for regionalisation and adapt their political positions in the national conflict. This process of reconciling the tensions between the logic of regional integration and national conflict sees politicians constructing their own versions of EU regionalisation, consistent with their interpretation of 'national' progress. At the same time, as they accommodate themselves in various ways to regionalist pressures, they are forced to redefine 'their' national community.

As detailed in Chapter 7, both constitutional nationalist and republican politicians became committed in practice to non-sovereign forms of 32 County autonomy in the EU. While Republicans retained their aspiration to all-Ireland independence, this was increasingly defined within the EU, rather than separated from it. Similarly, constitutional Nationalists articulated their demands for strengthened North-South linkages in Ireland, perhaps involving a sharing of political responsibility for Northern affairs between Britain and the Republic, in



an EU, regional, framework rather than in a national state framework. Similarly, and partly in response to political pressure from key figures in the unionist business community, UUP and DUP politicians began to accept the need for North-South economic and social integration and for political cooperation to make this possible. While Democratic Unionists remained resolutely opposed to the creation of North-South political structures to manage the 'island economy', there were some indications that Ulster Unionists had begun to reassess their position and, as noted in Chapter 7, had conceded the need for a North-South Cooperation Council, in the context of an overall political settlement. This dual re-configuration of 'national' rhetoric possibly signals a shift away from the politics of mutually exclusive 'national' blocs into a regionalist political rhetoric, strengthening positive-sum *inter-communal* linkages on an all-Ireland basis, rather than partitioned and zero-sum *intra-communal* linkages.

Less optimistically, there was also an on-going re-construction of 'national' communities along lines of 'national' division, linked to new myths of 'national' progress in the regionalised EU, reflecting the malleability of highly "luminal" national ideology (Bhabha 1990). Politicians attempted to bridge the emerging ideological tensions between their position in the conflict and their growing acceptance of EU regional integration: by redefining the EU integration process in terms of 'their' national development; by measuring their response to it in terms of what 'their' national community would be willing to accept; and finally, by accusing other politicians of manipulating the process of EU regionalisation for their own narrow political ends.

These themes were particularly strong in the rhetoric of UUP and DUP politicians, who felt the necessity to construct a unionist or loyalist community resolutely opposed to any form of political 'link-up' with the Republic, as an unchanging 'fact' of political life in the North. This was supported by arguments that the EU would strengthen, rather than weaken, Northern Ireland's linkages with the UK 'mainland', rather than with the Republic. Nationalists and republicans, in contrast, emphasised the malleability of political categories in the North and stressed the pressures for North-South integration in the context of the



SEM, consistent with the aspiration to 'national reconciliation' in a more unified Ireland.

This active, willed reproduction of 'national' ideology, by both unionists and nationalists, reflected the continued, indeed in some senses strengthened, significance of nationalisms and national states in the EU. In the face of accelerating dis-empowerment in a regionalised, globalised EU political economy, national ideology perhaps became more, not less significant as the national framework remained the single, most viable means of gaining some control over the forces shaping people's lives.



## *Section Conclusions*

This Section has examined the political dilemmas and rhetoric of political actors in Northern Ireland and in EU institutions who are engaged in defining the impact of EU integration on Ireland's national conflict. In doing so, it has supplemented the analysis of historical and contemporary tendencies in Sections 2 and 3, allowing some investigation of how 'agents' in the political process understand and account for the impacts of transnational integration on their national positions and more generally on national states.

It has focused on the ways in which the logic of EU integration clashes with the logic of national conflict, thus creating sharp dilemmas for political actors. As some state roles in the EU are exercised in a regional rather than a national framework, while others remain firmly within the ambit of national states, there is a weakening of the constructed, monolithic consistency of nationalism and national identity. Increasingly insistent political dilemmas emerge, broadly between issues defined in a regional context and those defined in a national context. As the myths of national unity or sovereignty become inconsistent with the pursuit of regional interests, political positions are disrupted and politicians dependent upon the support of a 'national' community are forced to adapt their political positions and redefine their political constituencies.

These tensions and dilemmas are seen as a general feature of transnational integration. In Ireland, it is argued, they are particularly sharply defined. The dispute over national state sovereignty, between on the one hand, unionists and the British state, and on the other, nationalists and the Southern state, dominates political life in the North. At the same time, both parts of Ireland are highly - even exceptionally - integrated into the EU 'global region'. This has posed particularly sharp political dilemmas, even contradictions, for political actors, both in the North and in EU institutions.



The process of reconciling such dilemmas and maintaining consistency centres on the use of myths of communal identity and of 'national' progress, that, together define the 'nation's' membership and its collective 'national' interests. As argued by Tom Nairn, these two elements - of 'national' unity and 'national' purpose - stand at the heart of nationalist ideology (Nairn 1977) and should be mutually reinforcing. In Ireland, where uncompleted anti-colonial nationalism confronts variants of pro-colonial, in some senses 'official' nationalism, these core rhetorical elements of nationalism are marshalled in opposition to each other.

Political actors in the North construct accounts of Ireland's national identities and re-interpret the process of regionalism in terms of the 'progress' of 'their' presumed 'national' community. The way in which they construct 'their' national community and the degree to which they distort the nature of EU regionalisation to suit national political ends varies sharply. As pressures at the EU level and within the business communities, North and South, increase, there is every likelihood that the unionist hopes or expectations that EU integration will not undermine linkages between Britain and the North, will be proved mistaken. At the same time, as increasingly large sections of the Northern unionist community respond in different ways to the process of regionalisation in the EU, there is every likelihood that the constructed, unified, static national identity of the Northern unionist community will come under increasing internal pressures. This is likely to force a reappraisal of political positions adopted by Democratic Unionist and Ulster Unionist Parties, not least as they are increasingly outflanked both by the unionist business community and by an apparently more accommodating loyalist working class, expressed for instance, in the Progressive Unionist Party.

This is likely to be paralleled by an on-going reappraisal of nationalist and republican positions. The growing acceptance of a mostly regional, only residually national, future for Ireland as part of the EU has redefined the aspiration to national unity. There are some indications, with increased acceptance of power-sharing and of sub-state regionalisation, that Irish unity will not be seen as necessarily requiring all-Ireland national sovereignty. This regionalist re-definition of



'national' progress, in which the emphasis is on the *processes* of national reconciliation rather than on its *outcomes*, possibly also enables a partial move away from the assumption that unionist national identity is easily malleable, towards a greater acceptance that it is likely to remain a feature of Ireland's political landscape, whether unified or not.

These political implications of the process of EU integration are further discussed in the thesis Conclusions.



# Section Five

## Conclusions

### *Introduction*

This study has attempted to employ what could be called a 'critical-theoretical' approach. In broad theoretical terms, it has sought to to examine how the existing order has come about, how it may be changing and how that change may be influenced or channelled. It has examined theories of international relations and of nationalism and has questioned whether their units of analysis are the correct or the most useful ones. It has also raised epistemological questions in the methodological shift from the use of written material, whether historical or contemporary, in Sections 2 and 3, to the use of interview material in Section 4. It is acknowledged that neither of these sets of questions can be satisfactorily answered by a thesis of this sort, and the process of asking them raises more questions than it resolves. Despite this it is essential that such questions be raised if historical and current tendencies are to be investigated, even if they are by no means fully resolved.

More specifically, the thesis has examined linkages between national conflict and transnational integration. Again, in some senses, this raises more questions than it answers. Transnational regional integration on the one hand and nationalism and national conflict on the other are cross-cutting, at times contradictory, and the resulting tendencies are anything but one-way. Indeed, in many respects they appear to be inter-determining, even interdependent, reflecting, as Nairn notes, the contradictory unifying and fragmenting dynamics of capitalist development (Nairn 1977). Nonetheless, it has been argued that the process of re-casting nationalisms in the context of increasing transnational integration disrupts and destabilises the current political order, and potentially opens up new opportunities for political struggle. In the light of the preceding discussions, this concluding Section



attempts to sketch out some of these opportunities, as well as highlighting some of the theoretical implications of the investigation.



## Chapter 12

### Political developments and theoretical implications

This study has explored the relationships between transnational integration and nationalism by focusing on the EU and the national conflict in Ireland. This has been done in four main ways. Section 1 established a theoretical perspective and developed a framework for analysis. Section 2 sketched in the historical background of national conflict in Ireland and transnational integration in the EU. Section 3 used material published in official documents and newspapers, as well as secondary sources, to investigate the contemporary tendencies. Finally, Section 4 analysed how political actors have been responding and contributing to these developments.

Sections 2 and 3 employed a three-part analytical framework to trace the structural linkages between three aspects of social order - material interests, ideological conflict and public policies. Both these Sections examined the developing relationships between national division and transnational integration in Ireland and the EU. In Section 4 political consensus on the need for North-South integration in Ireland was contrasted with deep political disagreement on the question of whether EU integration affects national state sovereignty and, by implication, the national conflict. Interview material was used to illustrate the range of dilemmas that face political actors and to highlight how they reconciled or avoided them. This provided the basis for some assessment of whether regional integration into the EU was significantly transforming the political conflict, and if so, in what way.

The four broad approaches to analysing the case study complemented each other and pointed to largely similar conclusions. Here there is some attempt to draw these conclusions together. In particular, discussion centres on the empirical questions posed in the thesis introduction, namely: what impact has EU integration had on the national conflict in Ireland and what does this suggest about the



relationships between transnational integration and nationalism? First though, there is some discussion of the more theoretical issues, largely in terms of the usefulness of the analytical framework developed in Chapter 3.

### *Theoretical analysis, international relations and nationalism*

A major objective of the thesis was to construct a framework for analysing nationalism in a transnational context. In Chapters 1 and 2 it was argued that the interrelationships between nationalism and international relations have been under-theorised. Analysis of nationalism tends to focus on the emergence or construction of the 'national' community from 'within' and theories of international relations tend to be biased towards the analysis of states in the international system. In order to break down the theoretical boundaries between 'international' and 'national' politics, the various theoretical approaches were assessed according to whether they are capable of analysing the interconnections between nationalism and transnational integration. In addition, they were examined to determine how far they can explain the reproduction of nationalism in global politics rather than simply suggesting how it originates.

In Chapter 1 five broad strands in the theory of nationalism were identified and it was argued that, amongst them, the 'uneven development' perspective best meets the two criteria as it analyses nationalism as a product of an on-going interaction between global capitalism and national-state fragmentation. Chapter 2 meanwhile, examined the three main strands of international relations theory, arguing that Marxist-influenced interpretations have a theoretical breadth that spans both domestic and global society and therefore offer the most appropriate theoretical framework. In addition, it was argued that both these sets of theories suggest how the existing system is maintained or reproduced, in spite of its internal contradictions and disruptions, and therefore help in developing an understanding of its current tendencies.



In Chapter 3 these perspectives were combined to construct a framework for analysing the interconnections between transnational integration and nationalism. This drew on the 'uneven development' approach to nationalism and elements of both the 'state-centred' perspective developed by Breuilly and the 'class-centred' approach developed by Amin. These were combined with the insights of Wallerstein's analysis of the 'world system' in a three-pronged framework based on Cox's neo-Gramscian analysis of global politics.

This framework examined conflicts over material interests first, ideological conflict second and conflicts over public policies third. It was argued that these three aspects of analysis are patterned by conflicts between national fragmentation and transnational integration, reflecting an over-arching tension between the fragmented national states' system and the single, integrated, global capitalist system. This dual logic of national fragmentation and globalisation is inscribed into the process of capitalist development that, paradoxically, binds global integration and national division together into an interdependent, dialectical relationship. Hence, ironically, as transnational forces are strengthened, there are perhaps greater pressures to define material interests in national terms, for ideological conflict to be dominated by nationalism and for public policies to be aimed at serving nationally-defined interests.

This approach is vulnerable to the criticism that any number of categories of 'social order' could be chosen. The three categories tend to overlap, leading to some unavoidable repetition, suggesting that the framework is, to a degree, arbitrary. Nonetheless, as argued in Section 1, the approach is particularly useful for analysing relationships between nationalism and transnationalism: material interests are increasingly being transnationalised, but at the same time they sharpen existing divisions and create new divisions between territorially defined communities - thereby dividing 'nationals' and 'non-nationals'; similarly, political ideologies are to a degree being re-defined in a regionalised, transnationalised context, but again, at the same time, in response to increased socio-economic insecurity in the global political economy, they reflect and fuel nationalisms; meanwhile, public policies - whether of state, regional, or transnational bodies - reflect an



increasing 'transnationalisation' of political issues, not least as state policies themselves are 'internationalised', but are still invariably designed to serve nationally-defined interests and remain, perhaps more intensely, the focus of national political rhetoric.

Equally important, the three-part analytical framework enabled the material, ideological and institutional aspects of the case study to be separated. This was particularly useful for the historical analysis in Section 2 as it drew attention to the differing intensity of pressures for national divergence or, alternatively, for regional convergence in Ireland and in the EU. Similarly, in Section 3, where discussion focused on the contemporary impacts of EU regional integration on North and South in Ireland, the framework allowed discussion of the tensions and contradictions between material interests, ideological conflict and public policies, thereby helping to pinpoint likely future developments. This highlighted the linkages between nationalism and transnational integration as conflicts over material interests, over ideological hegemony and over public policy rebound onto each other and were seen as interrelated, even interdetermined.

Section 4 moved beyond analytically separating these three aspects of 'social order'. Instead, it examined how far the tensions and mismatches highlighted in the previous Section were causing difficulties for political actors. This deepened and extended the analysis, allowing an investigation of how, in practice, the often contradictory logics of regional integration and national conflict are managed by political actors. It therefore allowed some exploration of the process of realigning national conflict in Ireland, permitting some broader analysis of how nationalisms are reproduced in the face of accelerating transnational integration.

These more substantive concerns about the impact of the EU on the national conflict in Ireland and about the relationship between transnational integration and nationalism in global politics are addressed in the remainder of these conclusions.

*EU integration, Ireland and national conflict*



In general terms, it has been argued that there has been a significant shift in the exercise of political authority in the EU. As states have acted collectively, they have been required to tolerate the emergence of a range of policy frameworks and a range of representative bodies that no longer operate according to the dictates of 'national', state-centred politics. In this political environment, what the EU Commission calls a Europe of "spheres not tiers", political authority and the public sphere is no longer, by definition, state-defined - the state is no longer *the* place or site of political engagement (1).

With increased transnational integration in the EU, Western European states have increasingly discarded their role in shielding 'domestic' society from global change, leading to sharpened socio-economic instability and political insecurity. New political forms have emerged as a 'power gap' has opened up between states and their increasingly transnationalised 'national' societies. Pan-EU bodies have been constructed and states have, by necessity, been forced to cede elements of policy-making - particularly economic policy - to the EU 'macro'-region. Partly as a result, 'micro'-regions have demanded greater power to regulate their local economies and substate regions have themselves constructed new associations reaching across EU state borders.

Significantly, the shape and power of these new non-state public bodies is dictated by the need influence transnationalised economic forces. They therefore cut across existing state boundaries, disrupting state powers and state-centred nationalisms, opening up new potential for political change - perhaps offering a pathway out of the monolithic, mythical conceptions of 'national' state sovereignty. More specifically, as different dimensions of political power - whether they be related to economic policy, social and welfare provision, or even defence and security - are exercised at a number of different 'levels' in the political system, a lateral or horizontal dimension - as well as a hierarchic, vertical dimension - is introduced to political authority.

This has profound implications in Ireland, where the political demands of business elites, the ideological conflict between formal political parties and the policies pursued by the two states are, to a degree, being



forced into an all-island regional framework. Integration into the SEM encourages North-South convergence, and has the potential to reverse the uneven socio-economic development that, as argued in Chapter 4, was a major factor in the late nineteenth century sharpening of North-South national divisions. In Ireland, North and South, business groupings, political parties and public bodies are being forced to reorientate their interests - in the case of Northern Ireland away from a UK-centred perspective, in the case of the Republic away from an externally-focused perspective, and in both parts of Ireland towards an all-island perspective.

In other respects, though, EU integration sharpens divisions between the two Irish economies. The SEM has exacerbated North-South competition for overseas capital and the two states have responded differently to the process of EU integration. The North has been tied ever closer to the British Treasury and the Republic has become increasingly dependent on EU markets, and the fault-line between 'EU-sceptic' and 'EU-enthusiast' has been inscribed across the north of Ireland, the EU's only land border with the UK.

Consequently, much of the expected benefits of integration into the EU hinge on the ability to construct a regional 'system of regulation' for Ireland, North *with* South, in the EU context. As argued in Chapter 6, increased consultation between public bodies, North and South, is unlikely to achieve economic integration. More coherent, all-Ireland institutions with executive powers and democratically accountability are required if the expected North-South 'synergies' are to be realised. As noted in Chapter 8, the responses of the two states to these pressures have been, at best, minimal. But this is likely to change as the costs of maintaining North-South divisions escalate. Increasingly in the 1990's EU institutions and business interests have pressurised both states to increase North-South linkages and as a result, the Republic has begun to recast its state policies in a 32-county mould and the British government has made tentative moves towards encouraging greater North-South cooperation.

But while such institutions may assist economic development in Ireland as a whole, they would not, in themselves, resolve the conflict,



not least as political consensus on the need for greater North-South economic cooperation is contradicted by conflicts between Irish nationalism and Northern unionism (as noted in Chapter 7). Indeed, the conflict dominates debate on the political implications of integration and creates sharp North-South political divergences on the question of how the EU is developing or ought to develop. Nonetheless, the relationships between regional development and the national conflict are 'two-way' or dialectical with each influencing, or potentially influencing, the other, and politicians from across the political spectrum, republicans and nationalists, unionists and loyalists, and politicians and civil servants in Brussels, recognise that the institutional and political requirements of economic integration open up new political avenues which might decisively recast the national conflict.

Responding to the emerging agenda for North-South integration, political actors have been actively involved in redefining and reconstituting their political positions. Politicians and officials construct conflicting perspectives on the integration process - 'interpretative repertoires' that reflect ideological conflict along 'national' lines. These are increasingly contradicted by the relatively consensual debate over how to meet the needs of the all-Ireland regional economy in the EU context.

The resulting dilemmas between 'national' politics and the logic of transnational integration force political realignments which have potentially significant implications for the national conflict. Unionist and loyalist politicians have been forced to respond to increasing demands for North-South cooperation and increasingly have recognised that 'their' communities are by no means monolithically opposed to socio-economic and cultural integration with the South. Nationalists and republicans meanwhile, have increasingly pursued North-South integration in the context of EU integration and have become less committed to all-Ireland state sovereignty. Partly as a result, they are more willing to recognise the legitimacy of Northern unionist identity and to accept that it cannot be subsumed or dissolved in a single all-Irish identity.



This process of political adaptation is leading to greater North-South political convergence and is perhaps the single most important factor encouraging the process of consensual constitutional change in Ireland. As well as defining positive reasons for Northern unionists to reconsider their opposition to some all-Ireland 'unbundling' of state powers, it also pressures nationalists to accommodate themselves to Northern unionism by focusing not on the goal of sovereign statehood, but on a more open-ended process of North-South reconciliation. At the same time it encourages both Northern and Southern politicians to re-focus their attention on the indigenous development of Ireland as a whole. The process of EU integration thus introduces a new political agenda that has the potential to disrupt the "double binds" - between accommodation and division (Greenslade 1993) - that face both nationalists and unionists in Ireland, opening up new avenues for political change, reshaping political conflicts and potentially defining a process of 'national reconciliation' in Ireland as a whole.

As argued in Chapter 8, such an optimistic assessment depends, crucially, on the degree to which EU integration is altering national state sovereignty. Given the conflict's roots in a political confrontation between the British 'Crown' expressed by the British state, and the Irish 'nation' expressed in the Republic's constitution, any significant transformation in the nature of state sovereignty is likely to have a significant impact on the conflict. Here it has been argued that there are substantial grounds for suggesting that there are strong, perhaps irresistible pressures for such a transformation. It is possible that, in the EU context, the British doctrine of absolute parliamentary sovereignty and the centrality of 'national' territoriality in the Republic will be adapted as state power is increasingly regionalised on a North-South, all-Ireland basis. Furthermore, as the gap widens between the ideological claims to state sovereignty and all-Ireland regionalisation, a thorough-going re-foundation or re-constitution of state legitimacy may become possible.

Prior to accelerated integration within the EU, British government policy on Northern Ireland wavered to and from a perspective that permitted the the Republic involvement in governing Northern Ireland and a more British nationalist determination to exclude the Republic from such a role. The EU offered a legitimising framework for



the former, institutionalising closer Anglo-Irish relations, giving the Republic a more permanent role in Northern Ireland affairs, both indirectly, in consultation with the UK, and directly, through the Maryfield secretariate of the Anglo-Irish Agreement. This was combined with parallel pressures for greater North-South integration in the SEM, themselves legitimised by EU funding regimes, which encouraged intergovernmentalism and, at least in part, led to the 1993 Downing Street Declaration, in which the British and Irish governments pledged to work for 'national reconciliation' in Ireland.

In contrast with the Downing Street Declaration of 1969 which was issued unilaterally by the British Prime Minister and which declared that the affairs of Northern Ireland were entirely a domestic political issue, the 1993 version was issued jointly by the British Prime Minister and the Irish Taoiseach and constructed a joint Anglo-Irish consensus on the framework for negotiations on the future of Northern Ireland. These new arrangements reflected Britain's agnosticism on Northern Ireland's constitutional status and if underwritten jointly with the Irish government this shift in British sovereignty would be given the status of an international Treaty and would herald a permanent shift in the direction of *de facto*, confederalised relations in Ireland.

In the context of this joint recognition of constitutional conditionality in the North, the two states could pledge themselves to persuading North and South to reach an accommodation within the island of Ireland through North-South socio-economic institutions. Again, merely a British government agreement to create North-South executive institutions would only have limited implications in the context of an ongoing claim to *de jure* British sovereignty. But if explicitly established under an international Treaty between the two states, such institutions would permanently temper the exercise of British state sovereignty. The two states would be permitting a partial sharing of their powers, adapting themselves to growing transnational, North-South integration in Ireland, with substantial implications for the national conflict. Indeed, *de facto* federalism on economic and social issues could, with the agreement of the two guarantors, be extended into other areas of social life, perhaps leading to the creation a regional all-Ireland parliament providing democratic accountability for all-



Ireland institutions, in the same way that the European Parliament legitimates common EU decision-making.

This separating-out of the dimensions of zero-sum state sovereignty in the context of EU integration, would de-link of aspects of state responsibility from the 'national' state framework, instead defining them in a North-South regional framework. Such institutions could strengthen popular democracy in both parts of the island as North-South integration is defined as a positive-sum process that benefits both North and South, rather than a zero-sum process in which one 'sovereign' state's gains, while the other loses.

### *Nationalism and transnationalism*

This study has explored the apparent paradox that transnationalism exacerbates nationalisms and national conflict. It has argued that transnational integration has stimulated EU integration. The emergence of 'macro' and 'micro' EU regionalism is seen as a response to globalising trends that undermine the ability of the state to intervene in the sphere of production. These regionalisms have been built on national states, and reflecting this, political identification with regions, as well as a wider European affiliation, generally remain much less powerful than national identities and nationalisms. State-centred national politics and 'official' nationalisms continue to dominate EU institutions and the concentration of states' roles at the EU level gives states enhanced powers, bolstering, even extending, the exercise of state sovereignty.

As a result, EU integration is riven by tensions between the politics of regional development and the politics of national states and nationalisms. To a degree this reflects a separating-out of political roles between state institutions and regional authorities - while the sphere of production has become increasingly regulated at the EU and sub-state level, social control and social reproduction remains largely in the hands of state authorities. The state continues to maintain social stability by institutionalising inter-class relations, while EU institutions manage productive relations between the national and the



transnational capital and sub-state 'regional' bodies service the needs of local capital. This division of labour suits dominant economic interests as sub-state and supra-state regional bodies are able to manage the collective affairs of the bourgeoisie in a way that the state, subject to pressures of liberal democracy, never could.

This uneven integration of state roles disrupts EU nationalisms - especially in its 'official' forms. In Section 4 it was suggested that two elements shape nationalist ideology, the first, rooting it in the past, the second, adapting it to socio-political change. In the first instance, the 'nation' is seen as a static, unchanging community, founded on internal homogeneity and safe from 'external' threats. Nationalists must define both the membership and cultural content of their 'nation' as it is vulnerable both to internal fragmentation and to external challenge. The political priority is to maintain the webs of relationships that homogenise the 'nation', that knit it together and as a key element in this, maintain a clear distinction between 'nationals', who are part of the self determining nation and 'others' who are not.

Second, and equally significant, national politicians define a path of national development, and a set of national interests that link nationalism to the process of wider socio-economic change, so placing the nation in a line of universal progress and projecting the myth of 'national' unity into the future. In the face of shifts in the socio-economic and political framework, nationalisms are up-dated and made consistent with historical and contemporary tendencies - an absolute necessity if national constituencies are not to be undermined 'from within' as members of the 'nation' define their interests in opposition to it.

The result is a dependence both on a constructed cultural history, and an often equally constructed concept of 'national' progress that maps out a 'self-determining' pathway into the future. The nationalist is forced into a constant process of combining these two aspects of 'national' ideology - of identifying some version of 'national progress' while at the same time preserving the traditional core concepts of 'nationhood' - a duality that is embodied in the idea that nationalism is



always 'Janus faced', both reactionary and progressive, both traditionalist and modernist.

This unity-in-tension, between an aspirational projection into the future and a backward-looking construction of the 'national' community, helps to explain the - often paradoxical - increased role of nationalism in the context of greater transnational integration. The two tendencies are interlinked and interdetermining, consequently it is not possible to draw up a 'balance sheet' that weighs up pressures for transnational integration against the pressures for national division. As social order in Ireland and in the EU is shaped by forces - including forces of production - that are increasingly defined outside of the national state framework, social groupings and public bodies are disempowered. In response, national configurations are reconstructed and redefined in the new transnational context, building on and reflecting at times sharpened schisms between national states and nationalisms.

This opens up new political opportunities as nationalisms are realigned and potentially transformed in the face of transnational integration. The fixed categories constructed by national states and nationalisms become more vulnerable to political challenge and the construction of more progressive forms of political affiliation, whether 'national' or non-national, becomes more of a possibility. Indeed, in Ireland and in the EU, heightened transnational integration has the potential to generate new, more inclusive transnational solidarities, capable of challenging the divisive and exclusionary logics of transnational capitalist integration.

## Notes

1. See *Regions in the EU*, European Information Service, March 1993



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## Appendix 1:

### Research methodology: interviews and other sources

This study draws on three sources of primary material: official documents, newspaper reports and interview transcripts. The method of collection and analysis for each of these sources is outlined here.

#### *Official documents*

These included: government documents and public records from Britain and the Republic of Ireland; European Commission, the European Parliament and Council of Europe documents; publications from political parties in Northern Ireland, the Republic and in Britain; and publications of sub-state local or regional bodies. These were collected from libraries and directly from the various institutions or agencies. Where they have been used in the text they appear either as a footnote or in the bibliography.

#### *Newspaper research*

The newspaper survey included all Northern Ireland newspapers, British and Republic broadsheets from 1991, although there was some more focused use of earlier news reports at key dates in the development of the conflict and in the EC. Newspapers cuttings were collected from newspaper libraries in London, Belfast and Dublin and from papers as they appeared from 1991 until August 1994.

The newspaper sources included: the *Irish Times*; *Sunday Tribune*; *Belfast Telegraph*; *Irish News*; *Belfast Newsletter*; *Guardian*; *Times*; *Sunday Times*; *European*; and the *Financial Times*. In addition, back-issues of *Agence Europe* were surveyed. Relevant information, including quotes and figures, was entered onto computer, to form a data base of approximately 800 pages. Although very time consuming this was



particularly useful both for guiding interview questioning and for confirming issues raised in interviews. In addition, newspaper reports provided a necessary source for the more contemporary elements of analysis in Sections 2 and 3.

### *Interview research*

There were, in total, thirty-eight interviews. The sample frame included Northern Ireland politicians and officials, mostly interviewed in Belfast, and EU politicians and officials, mostly interviewed in Brussels. Interviews varied in length - lasting one to two hours - and were held in confidence on party premises, in Commission offices or parliament buildings. In order to get a sense of the developing relationships and to permit the cross-checking of information and perspectives, there were three 'rounds' of interviews. The officials and politicians interviewed in each 'round' were as follows:

#### First Round (June to July 1992)

*Belfast:* Mr. David Ford, Alliance Party of Northern Ireland (Chairperson); Mr. Patsy McGlone of the Social Democratic and Labour Party (Chairperson); Mr. Richard McAuley, Sinn Fein (Press officer and spokesperson); Mr. John Clark, Ulster Unionist Party (European officer).

*Brussels:* Mr Gerry McAlinden, Northern Ireland Centre; Mr Eddie McVeigh, European Parliament Research Directorate; Mr Esben Poulsen, EU Commission, Republic of Ireland and Northern Ireland Regional Funds (Head of Unit); John Palmer, *Guardian* European Editor; Brendan Conlon, Freelance Journalist; Conor Kearney, EU Commission (Structural Funds Coordination).

#### Second Round (October to December 1992)

*Belfast:* Mr. Ian Paisley Jnr. Democratic Unionist Party (spokesperson); Mr. John Lowry, Workers' Party (Northern chairperson and MEP candidate); Mr. James Stewart, Communist Party of Ireland (Secretary); Ms. Jane Morrice (Head of the EU Commission office in Belfast).



*Brussels:* Mr Joly Dickson, EU Commission (President Jaques Delors' Special Adviser on UK and Irish Affairs); Belinda Pyke, EU Commission Regional Fund, UK and Ireland; Marios Camhis, Regional policy directorate; Interreg Official, responsible for Ireland, North and South (not identified); Malachy Vallely, Irish Institute for European Affairs, Leuven (Executive Director); Mr Amadee Turner (Conservative MEP); Mr Wayne David (Labour MEP); Mr John McCartin (Fine Gael MEP); Mr Fred Catherwood (Conservative MEP); Mr John Cushnahan (ex-Alliance Party, Fine Gael MEP).

Third Round: (May to June 1993)

*Belfast:* Dr. John Alderdice, Alliance Party of Northern Ireland (leader); Mr Jim Nicholson (MEP), Ulster Unionist Party; Cllr Nigel Dodds European, Democratic Unionist Party (Cllr and spokesperson on European issues); Mr John Hume (MP, MEP), Social Democratic and Labour Party (leader); Cllr Mitchell McLoughlin, Sinn Fein (Northern chairperson); Representatives of the Department of Finance and Personnel in the Northern Ireland Civil Service and the Northern Ireland Office.

*Brussels:* Mr Neil Blaney (Independent MEP); Mr Proinsias de Rossa (Democratic Left TD, MEP); Mr Ramsay, Director-General of Research, European Parliament (follow-up interview); Mr Gerry McAinden, Northern Ireland Centre (follow-up interview); Mr Phillip Lowe, EU Commission (Agriculture); Mr Hourican, EU Commission (Structural Funds Coordination); Mr Esben Poulsen, EU Commission, Republic of Ireland and Northern Ireland Regional Funds (Head of Unit, follow-up interview).

In addition a transcript of an interview conducted by James Anderson with Mr. Gary McMichael, Ulster Democratic Party (spokesperson) was used.

There was substantial preparation for interviews, using the newspaper archive and official documents, to give the interviewer the authority of the informed, so as to introduce novel perspectives on the issues discussed and to gain the trust and acceptance of interviewee. In the



interview setting, power is often contested - between the knowledge and interpretations of the interviewer and those of the politician or official. The interviewee may have the advantage as she or he is embedded in the process being examined and is accustomed to reflecting on their experiences - although perhaps not in an interview with a researcher.

Invariably it was necessary to get past 'gate keepers' in order to gain access to particular interviewees. This problem was minimised by using a 'snow-balling' strategy - particularly effective in Brussels where there is a well established social circle or network of officials, politicians and journalists from Ireland, North and South. In Belfast a process of 'seed sampling' was preferred, through which 'pilot' interviews were held with party press officers before gaining access to the politicians themselves. Both these techniques served to ensure that a stock of knowledge about the party or institution could be built up before a particular party politician or senior official was contacted. Also, the 'rounds' of interviews in the two locations were rotated: with pilot interviews, seed sampling, snowballing, network sampling and the final interviews conducted alternately between Belfast and Brussels.

The interviews were all in depth and qualitative. This is particularly useful when the intention is to examine non-stable interpretations - and to highlight the lack of fixed categories and the the need to bridge often contradictory concepts. The unstructured nature of such interviews can be disorientating for interviewees more accustomed to or more trusting of an interviewer who has a clear set of pre-determined questions. In all cases the interviewer was explicit to the interviewee about the strategy and aims of the project - helping the initial wariness to dissipate. As the interview proceeded, interviewees would realise that a conversational, discursive response was appropriate - and generally would welcome this.

Interviews were shaped by their social context as well as by the interview method. Interviewees were mostly male and all were white and shared these characteristics with the interviewer. Many differed from the interviewer in their non-English origins and occasionally in their rural or at least, non-metropolitan, local identity. They also differed in being older and in - often considerably - more powerful



positions, not only in terms of being 'insiders', but more broadly, in forming part of a socio-political elite, that in Northern Ireland has been characterised as a "paranocracy" (Arthur 1990).

Despite these contingencies, as outlined in the thesis introduction and at the start of Section 4, interview analysis was founded on the assumption that discussion of issues in an interview setting can yield ideological accounts which reflect wider power relations in society. The tension between the discourse of national conflict and the discourse of regional development in the EU and the dilemmas and inconsistencies that it generates were seen as directly influencing social and political change in Ireland, as by legitimising or by challenging power relations, such arguments "do not just describe things; they do things" (Potter and Wetherell 1991).



## Appendix 2: Regional development in the European Union.

The argument that there is a divergence between 'core' and 'periphery' in the EU is central to debates in Chapter 5 and in Sections 3 and 4. This Appendix uses EUROSTAT data to illustrate this divergence. The statistics allow two main sets of comparisons to be made: first, comparisons of regional employment patterns and their changes between 1980 and 1990; second, comparisons of regional unemployment levels using figures from 1981 and 1991.

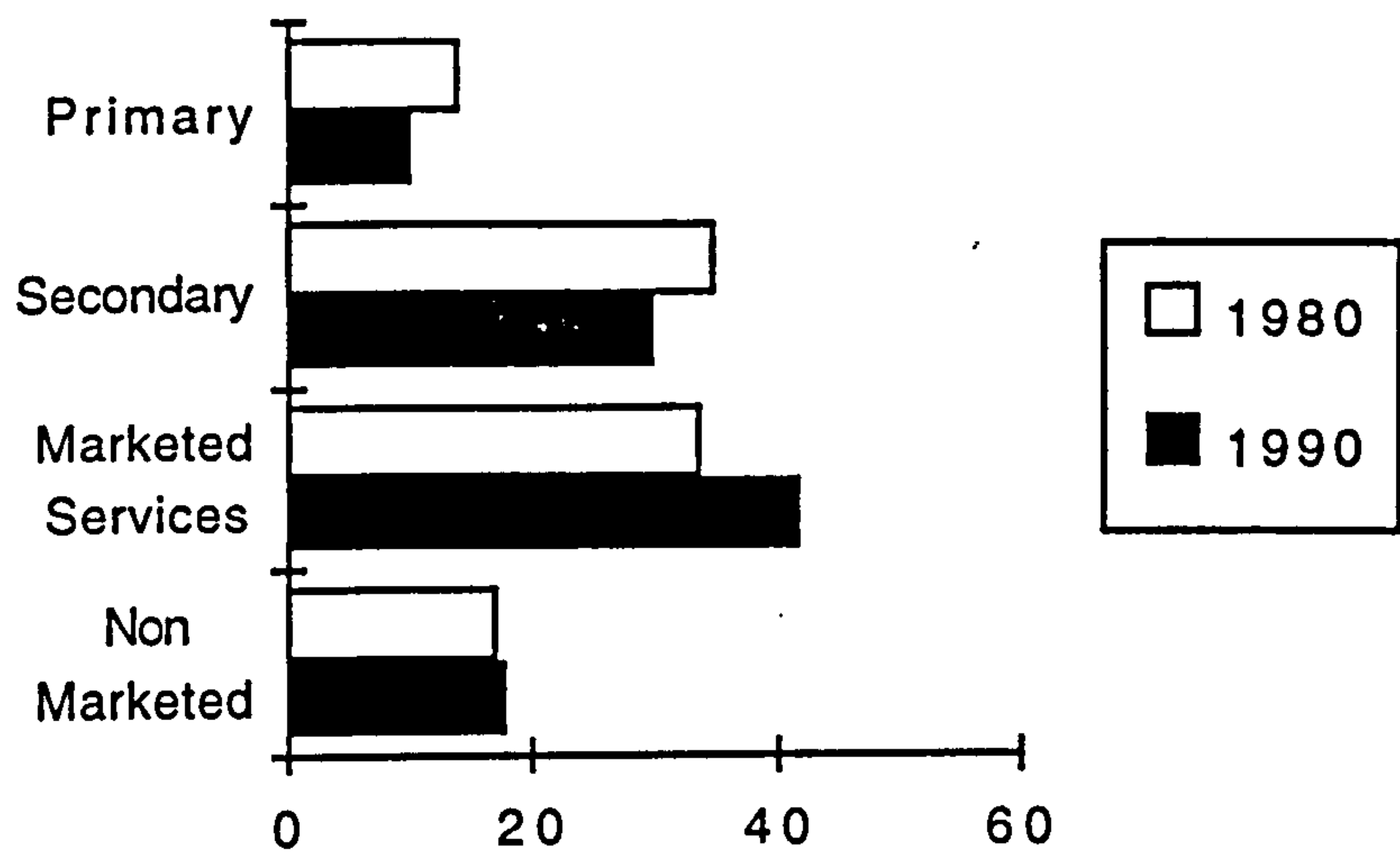
The analysis focuses on the degree to which divergences between 'peripheral' regions and 'core' EU regions are reflected in these two sets of figures. Four peripheral regions are selected - the south of Spain, the south of Italy and, where statistics permit, Northern Ireland and the Republic of Ireland. Shifts in employment and unemployment in these regions are contrasted with developments in the "four motors", Catalonia, Baden-Wurtemberg, Lombardy and Rhone-Alpes, which in 1992 were cited by the EU Commission as the main regional beneficiaries of the emerging EU "growth axis" (CEC 1991b). In addition, economic performance in each of the regions is contrasted with tendencies in their national economies .

There was some divergence in employment structure in both types of regions - the peripheral regions and the "four motors" - either exaggerating or conflicting with tendencies in their national economies. This can be illustrated by comparing changes in the sectoral distribution of employment. Here analysis focuses on changes in the relative importance of employment in four main sectors: employment in primary industry, including agriculture, forestry and fisheries; employment in manufacturing, including construction and fuel; employment in marketed services (mostly private sector services); and employment in non-marketed services (mostly public sector services). This use of four sectors allows comparison of the extent of the shifts in private sector activity - between primary, secondary and tertiary employment - in separation from the public sector.



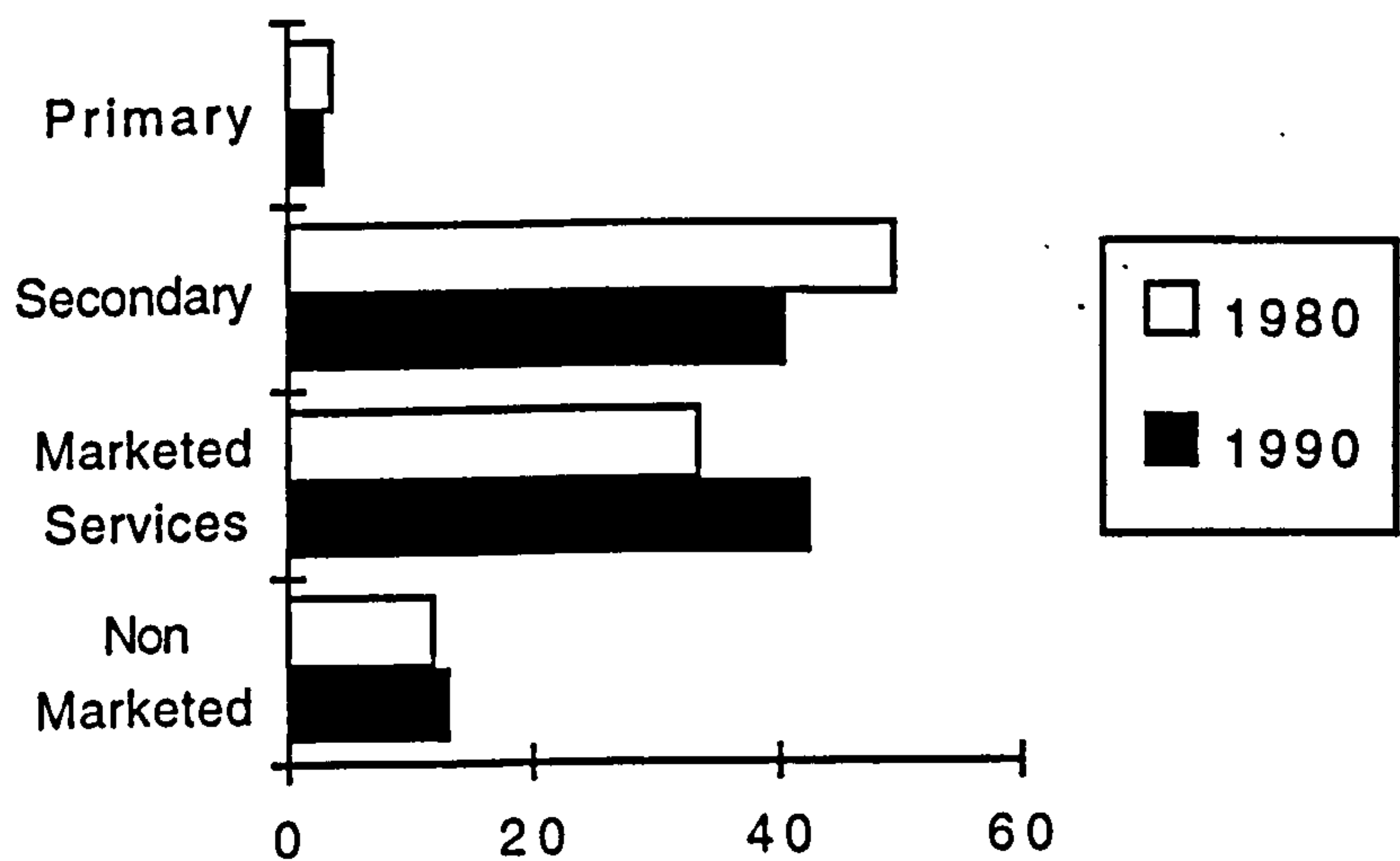
In Italy there was some considerable divergence between the experience of Lombardy, one of the 'growth poles' and the underdeveloped 'Sud'. In the Italian economy as a whole there was a general shift from primary and secondary employment to marketed services.

Chart 1: Employment shifts in Italy



Lombardy exaggerated these tendencies, with a greater increase in the proportion of the workforce employed in marketed services and a greater fall in employment in manufacturing industry. Meanwhile, primary employment saw only a slight relative fall.

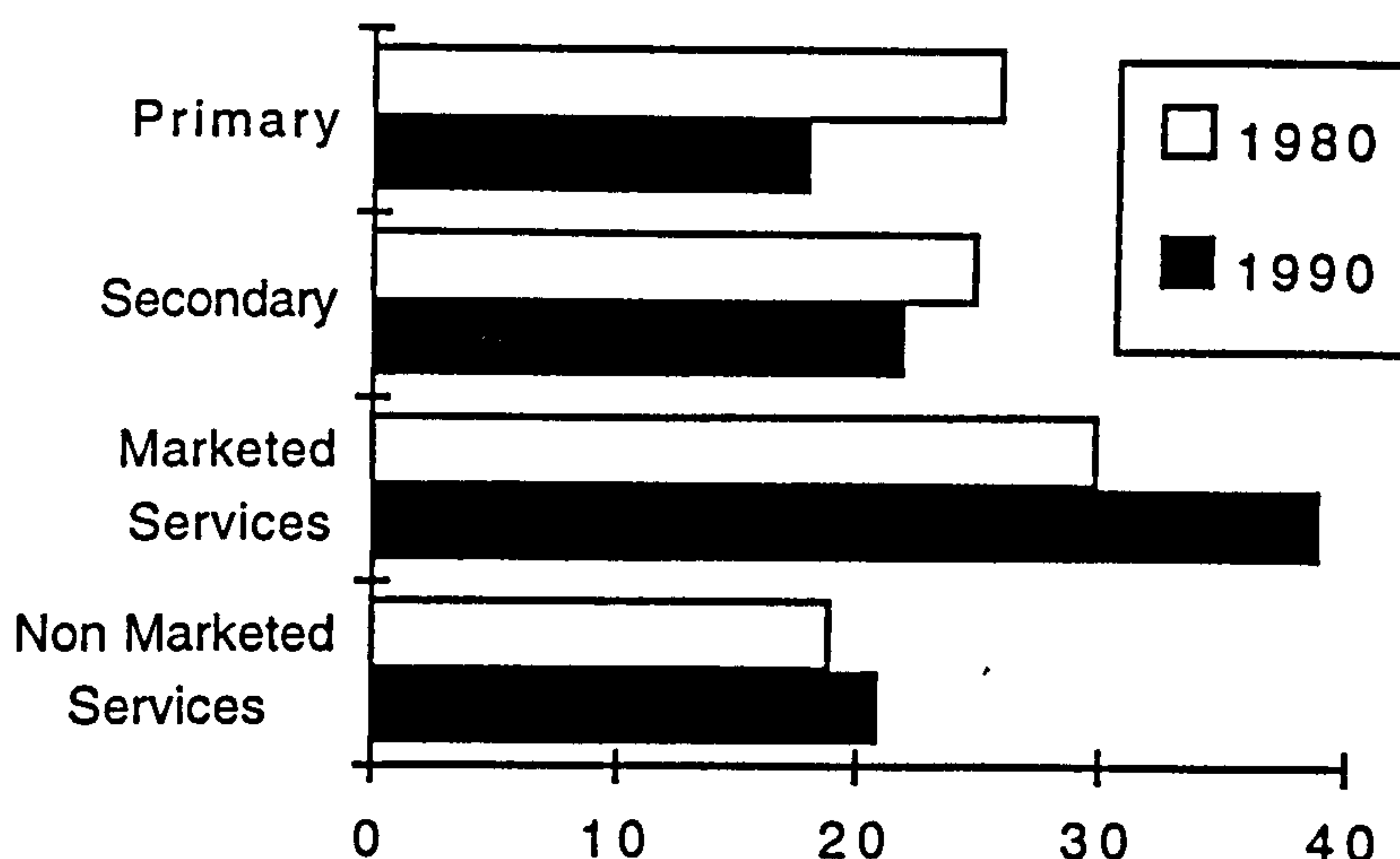
Chart 2: Employment shifts in Lombardy



The 'Sud' region of Italy experienced a much greater expansion in employment in marketed services, accounted for by a much larger decrease in the proportion employed in agriculture.

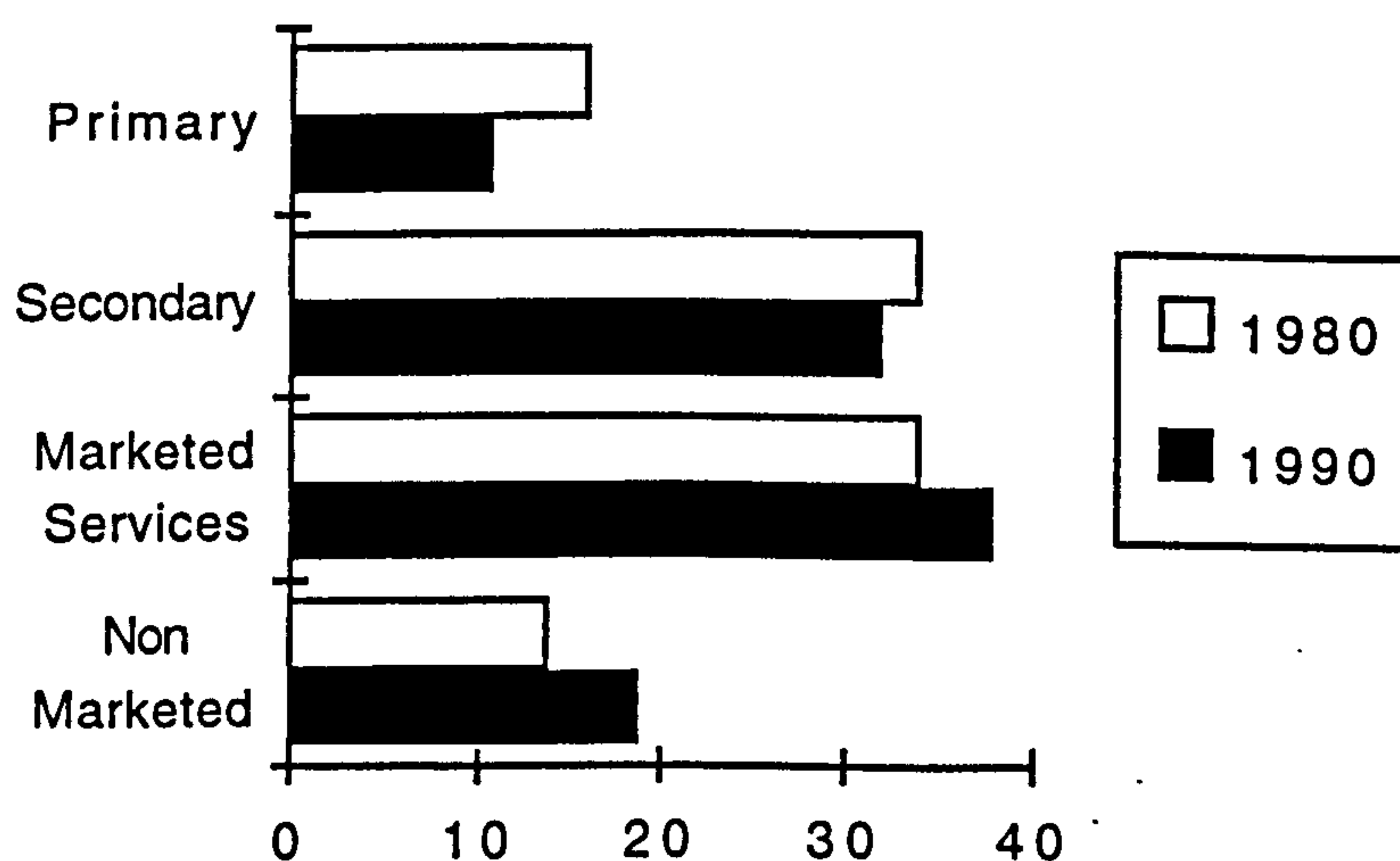


Chart 3: Employment shifts in Sud Italy



This pattern was repeated in Spain. Employment in the Spanish economy shifted from primary and to a lesser degree, secondary employment, into marketed and non-marketed services.

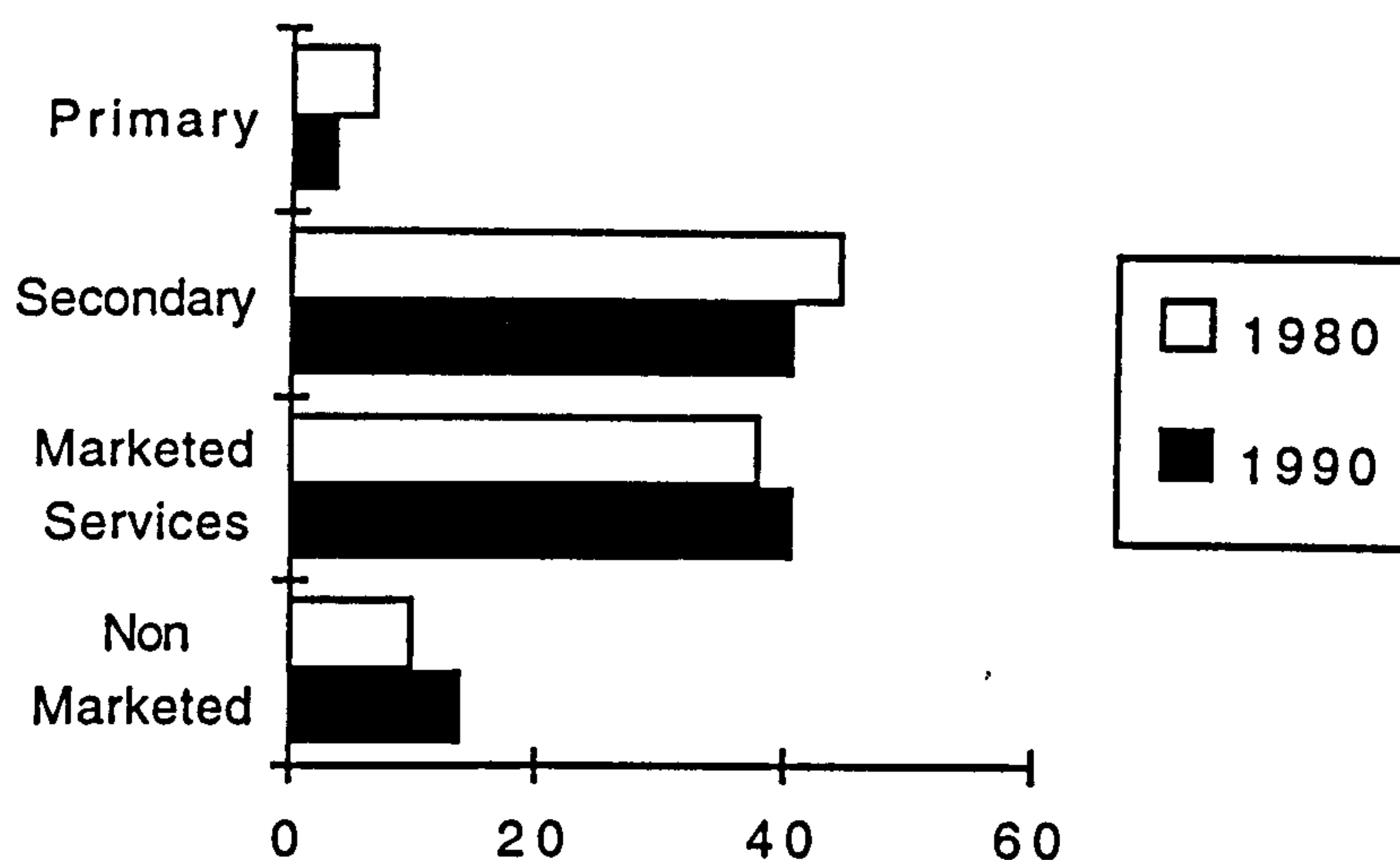
Chart 4: Employment shifts in Spain



In Catalonia, like Lombardy, there was a decrease in manufacturing employment and an expansion in employment in marketed services.

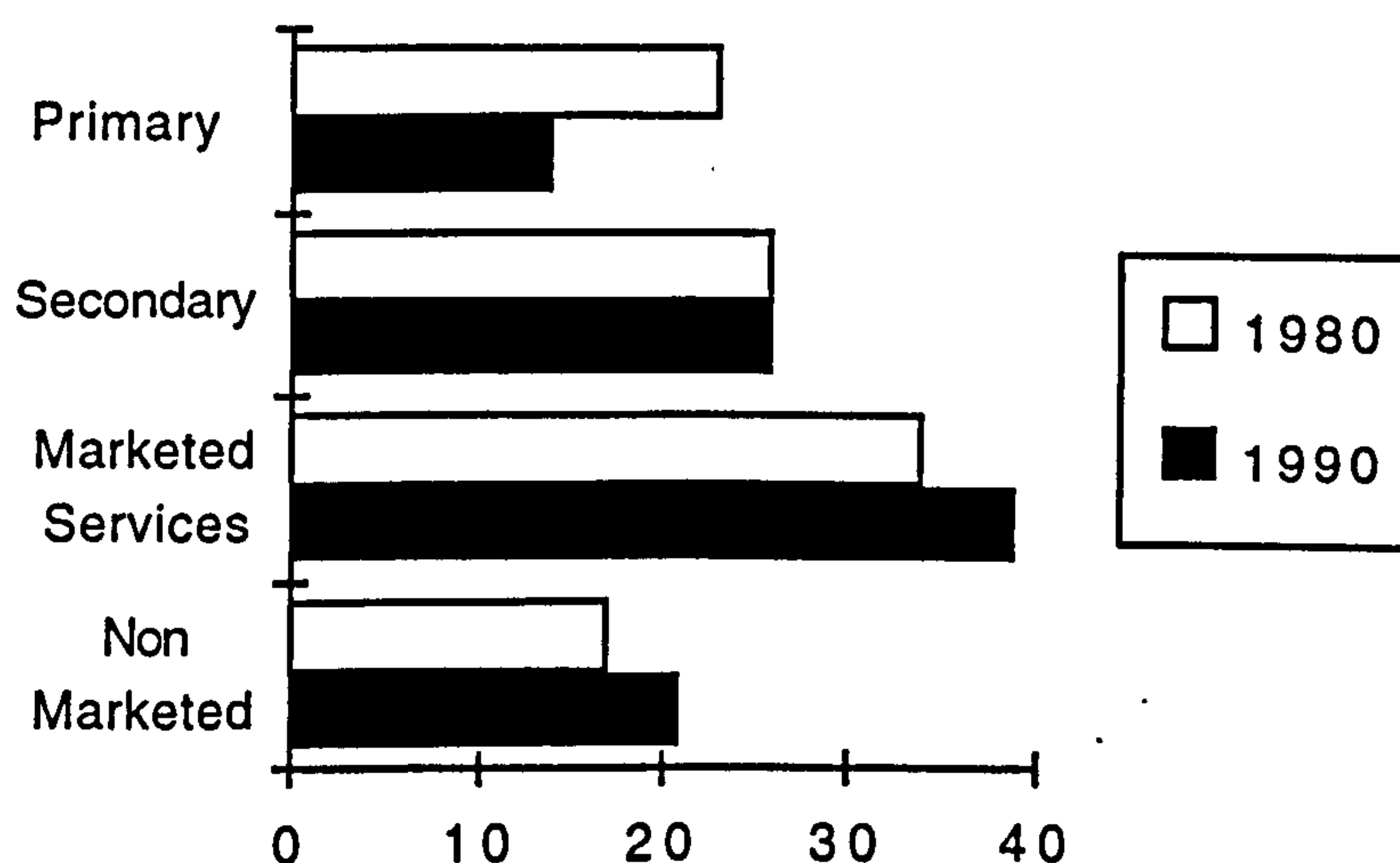


Chart 5: Employment shifts in Catalonia



In 'Sur' Spain, as in 'Sud' Italy, there was a large decrease in the proportion employed in agriculture and a large increase in marketed services while the proportion employed in manufacturing remained relatively stable.

Chart 6: Employment shifts in Sur Spain



The experience of both Sur Spain and Sud Italy also contrasted with the remaining two Southern European growth 'motors' - the Rhone Alpes and Baden Wurtemberg which both experienced a significant fall in secondary employment coupled with a rise in employment in marketed services.



Chart 7: Employment shifts in Rhone Alpes

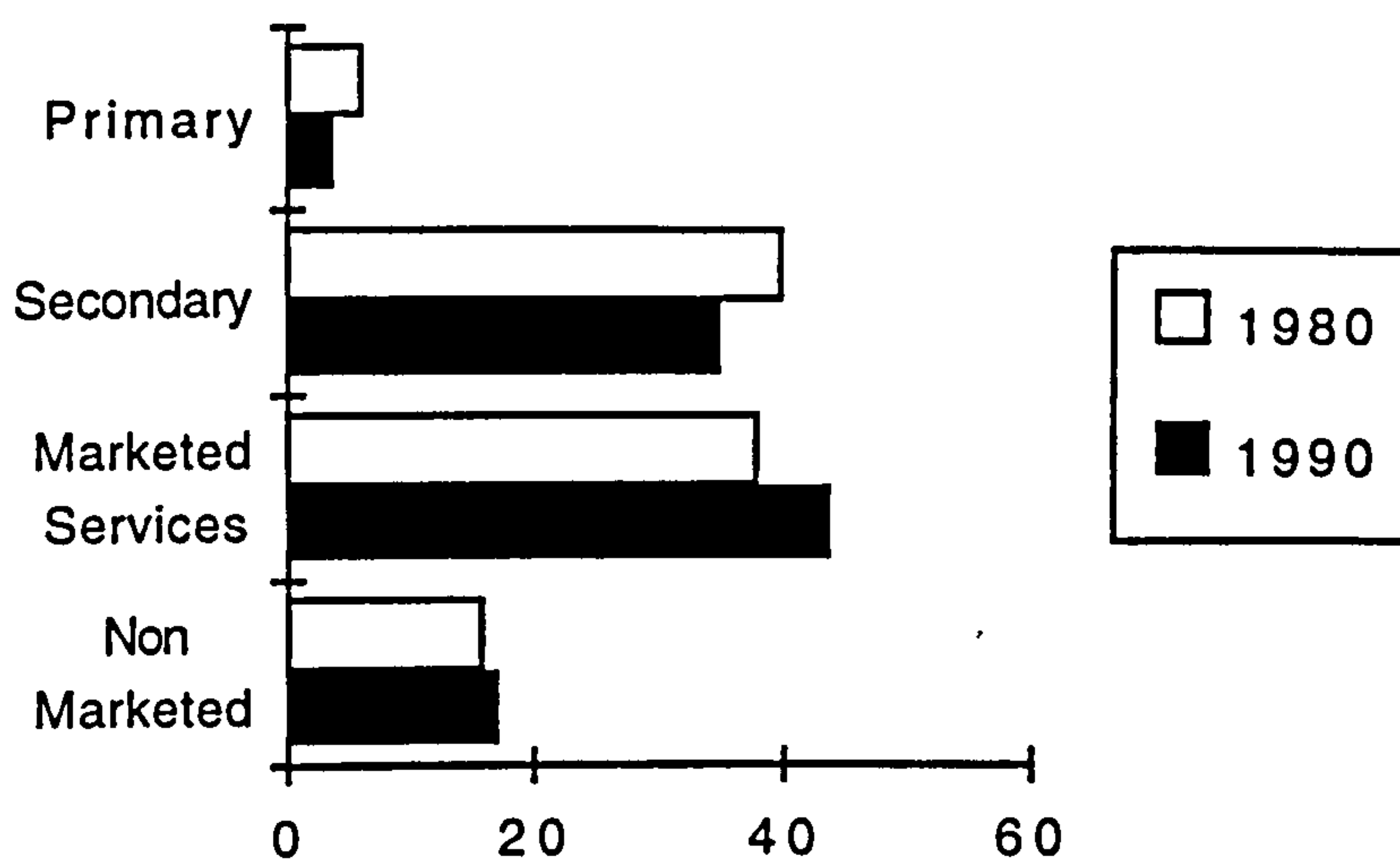
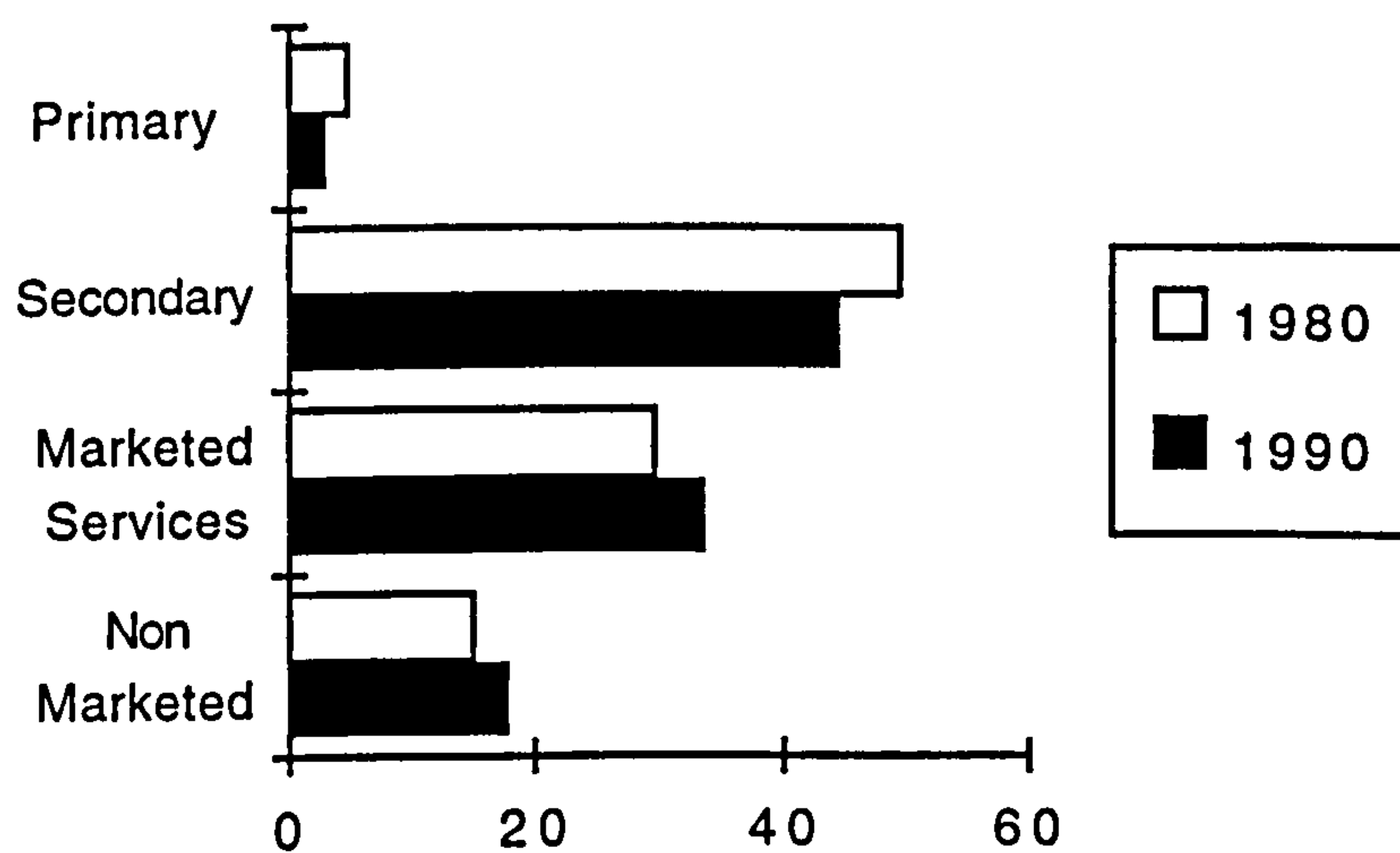


Chart 8: Employment shifts in Baden Wurtemberg



As with Catalonia and Lombardy, these shifts mirrored tendencies in the respective national economies:



Chart 9: Employment shifts in France

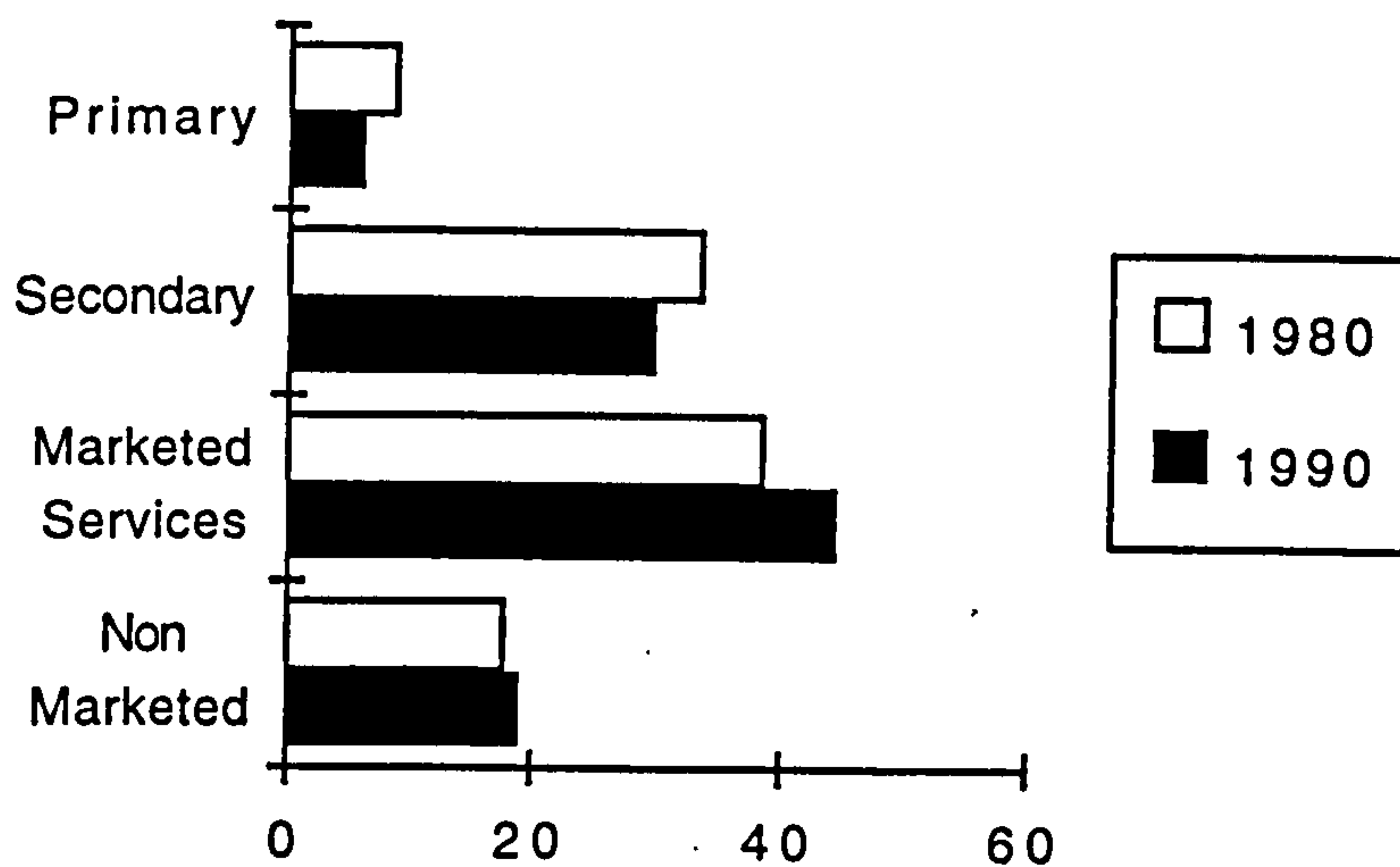
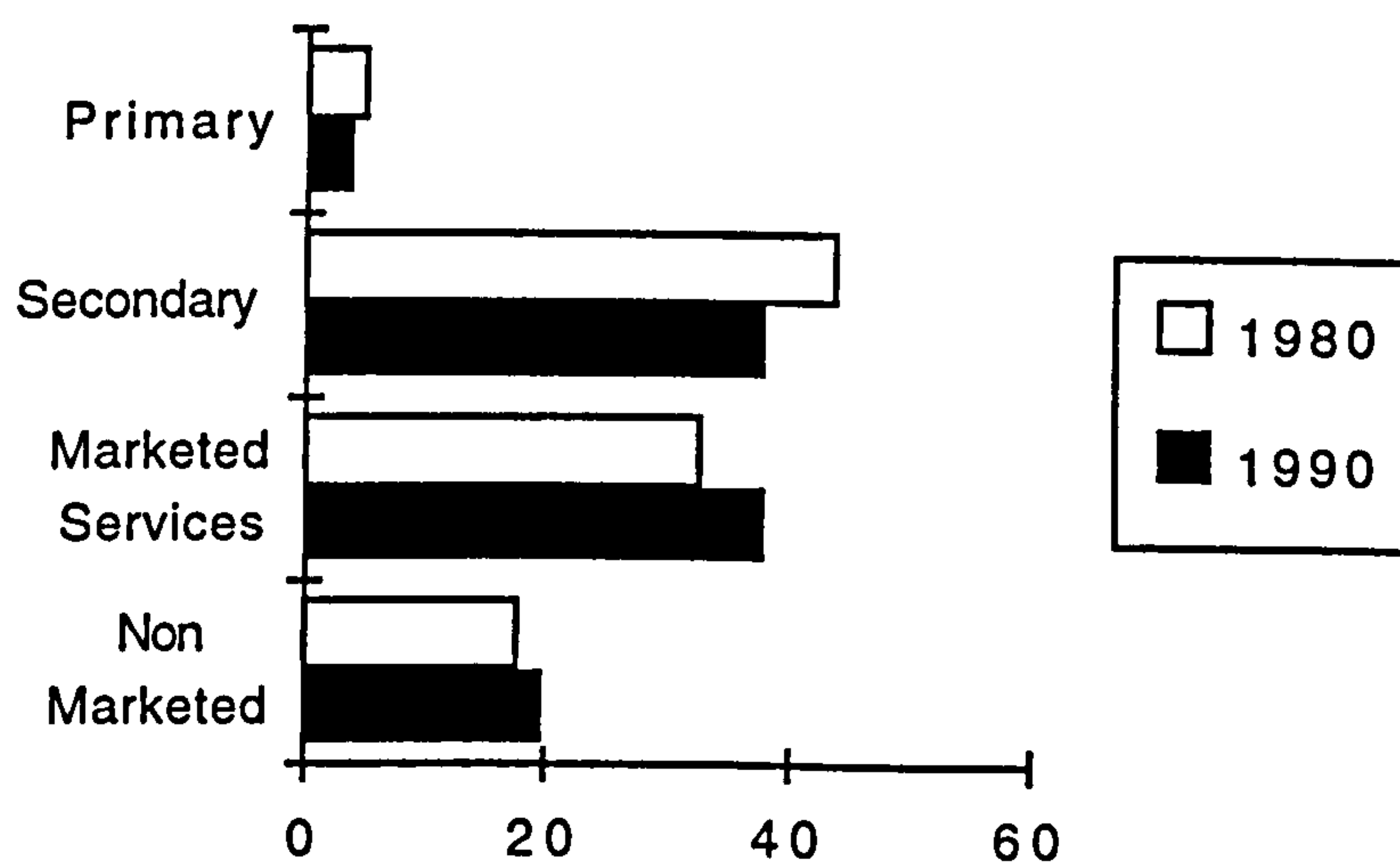


Chart 10: Employment shifts in Germany



For the 'four motors' overall, the proportion of the workforce employed in manufacturing and marketed services - the non-primary private sector - stabilised, or increased marginally, with the largest increase in Baden Wurtemberg (of 3%). This contrasted with the two peripheral regions, which saw the overall proportion employed in this sector rise by 5-6%, in both cases exaggerating tendencies in their national economies (Table 1).



Table 1: Percentage increase of overall employment in manufacturing and marketed services, 1980-1990

States	% change	Regions	% change
West Germany	-1	Baden-Wurtemberg	+3
France	+2	Rhone Alpes	+1
Spain	+2	Catalonia	-1
		Sur	+5
Italy	+3	Lombardy	0
		Sud	+6

Source: Regio Statistics, Eurostat (2).

For the 'four motors' this masks a significant reduction in the proportion employed in manufacturing, offset by a rise in the proportion employed in marketed services (Table 2).

Table 2: The 'Four Motors': manufacturing and marketed services 1980-1990

% <i>fall</i> in proportion employed in manufacturing		% <i>rise</i> in proportion employed in marketed services
Baden-Wurtemberg	5	3.7
Rhone Alpes	5	6
Catalonia	3	3
Lombardy	9	9

Source: Regio Statistics, Eurostat (3).

This pattern contrasts with the two peripheral regions of the EU, where growth in the proportion employed in marketed services was associated with a fall in the proportion employed in primary industry (in the Sur from 23% to 14% and in the Sud from 26% to 18% of employment).

Overall, then, there appeared to be a degree of convergence in sectoral employment patterns between the growth poles of the EU and the more peripheral regions.



This contrasts with significant divergence in patterns of unemployment - and perhaps more significant - of long term unemployment. Figures for unemployment, comparing 1981 with 1991, expose a startling degree of divergence between the new 'growth poles' of the EU economy and its 'peripheral' regions.

In Italy as a whole, for instance, unemployment had grown by 2.7% to 10.3%. In the Lombardy "growth pole" it fell by a third to 3.5% while in the Sud region it increased by two thirds to 17.9%.

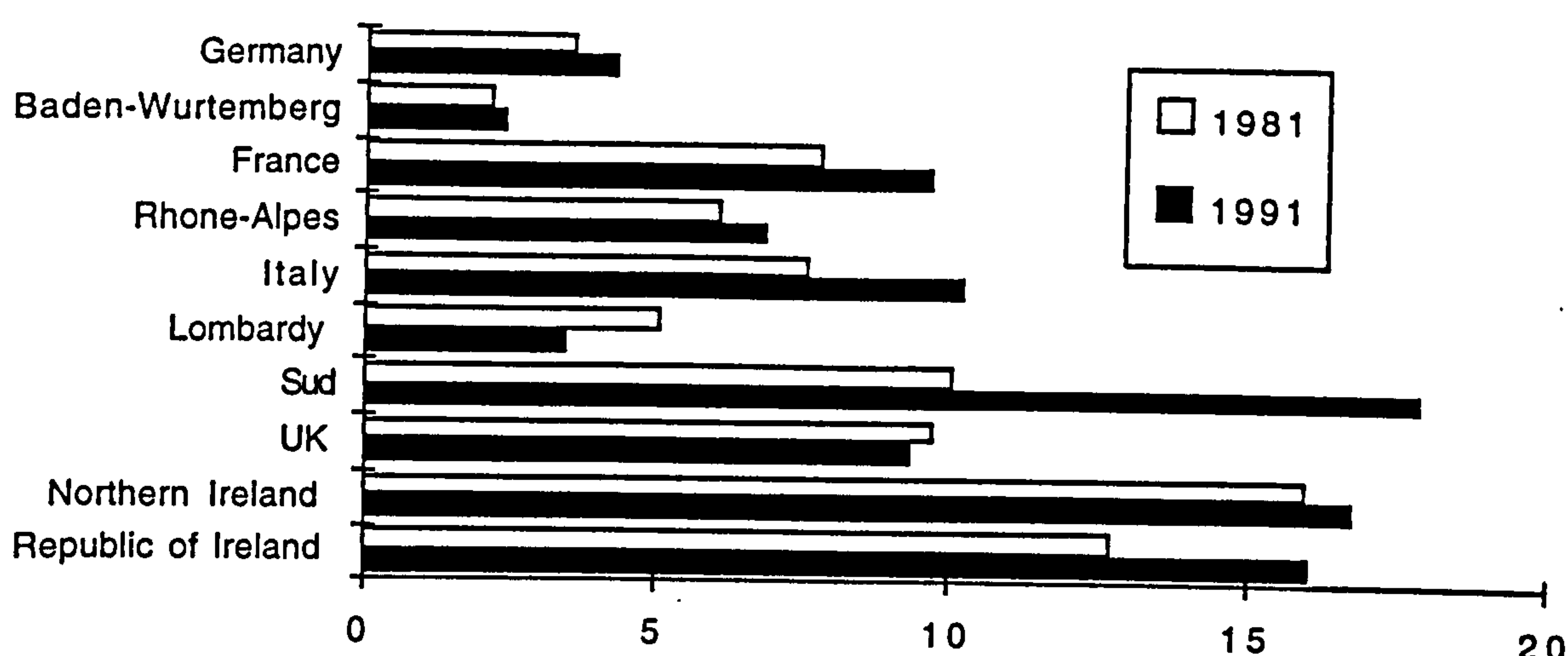
In Spain a similar pattern emerged. 'Harmonised' figures for overall unemployment are only available from 1985, when unemployment in Spain as a whole was 21.9%; in the Catalonia "growth pole", it was 22.9% and in the peripheral region of Sur Spain, it was 29.1%. By 1991 unemployment had fallen by a third in Spain overall to 16.1%; in Catalonia it was halved to 11.8%; while in Sur Spain it fell by only a fifth, to 23.9%.

Meanwhile, both France and Germany fared less well overall than their two "growth poles". Unemployment increased on average, by 1.9% in France while in the Rhone-Alpes region it increased by 0.8%. In Germany, unemployment increased by 0.7%, while in the Baden-Wurtemberg 'growth pole' it increased by 0.2%.

These tendencies are underlined by figures which are available for the UK and for Ireland, North and South: while unemployment in the UK fell by 0.4% to 9.4%; in Northern Ireland, it rose by 0.8% to 16.8%; while in the Republic there was a 3.3% increase to 16.1% (Chart 11).



Chart 11. : Percentage of working population unemployed:  
1981 and 1991



Source: Eurostat.

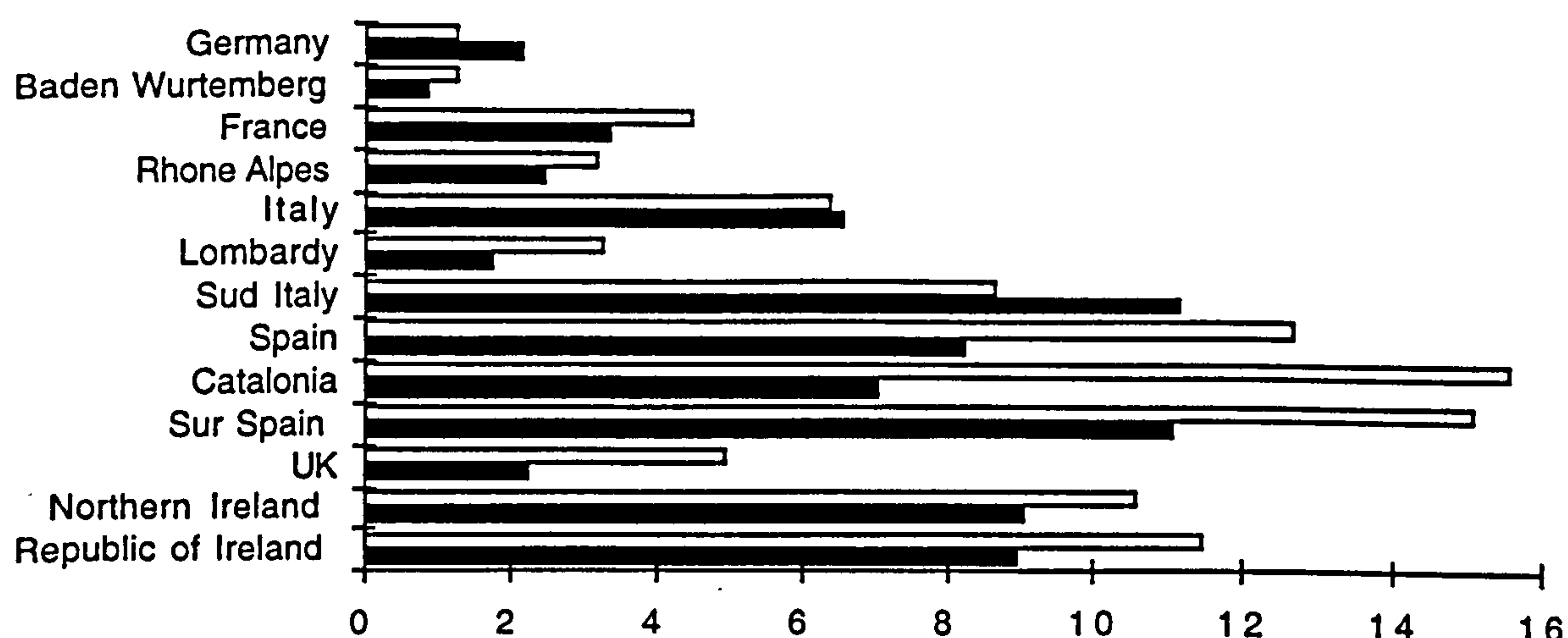
These divergences are confirmed by figures for long term unemployment. Contrasting with trends in the Italian, French, Spanish and German economies, there were substantial reductions in the rate of long term unemployment in the "four motors". Similarly contrasting with their national economies, the two peripheral regions experienced exceptionally high levels of long term unemployment.

In Italy as a whole, for instance there was a marginal increase in long term unemployment. In the Lombardy 'growth pole' it was halved to 1.8%, while in the Sud region it increased by a third to 11.8%. In Spain, meanwhile, long term unemployment fell by a third to 8.3%: in Catalonia it was halved to 7.1%; in the Sur region it fell by only a fifth to 11%.

In Germany meanwhile, long term unemployment doubled to 2.2%, while in the Baden-Wurtemberg "growth pole", it fell by a third, to 0.9%. Again, the figures for the UK and for Ireland, North and South underline these tendencies: in the UK long term unemployment was more than halved, while in Northern Ireland and the Republic it fell by less than a fifth (Chart 12).



Chart 12: Percentage rates of long term unemployment  
1987 and 1990



Source: Regio Statistics, Eurostat.

Overall, then, as discussed in Chapter 5, there appeared to be substantial divergence in regional economic fortunes in the EU, between its emerging 'growth poles' and its less fortunate peripheries. This, as argued in Section 3 and 4, was a key factor in the increased regionalisation of material interests in Ireland as a peripheral, island region in the EU.

## Notes

1. The figures used for the discussion of employment structures and of long term unemployment are previously unpublished. Figures for overall unemployment appear in successive editions of the EUROSTAT publication - *Regions: statistical yearbook*.

2. This table compares 'NACE' employment categories, adding B02 (manufacturing, construction, fuel) plus B68 (marketed Services) and comparing this with the remainder - B01 (Agriculture, forestry and fisheries) and B86 (non-Market services).

3. Changes to B02 (manufacturing, construction, fuel) compared with B68 (marketed Services).



PhD. by James Goodman Bsc (econ), M.A:

## **Nationalism and Transnationalism: the national conflict in Ireland and European Union integration**

### **Abstract**

This study poses the question of why national conflicts persist in the context of increasing transnational integration. From the early 1970's and especially since the end of the 'Cold War', nationalism has gained increased global significance. At the same time, seemingly hand-in-hand with the upsurge in nationalism, there has been an acceleration in transnational integration.

This apparent paradox is explored in several ways: first by developing a theoretical framework for linking nationalism and transnationalism, second by analysing a particular case of national conflict in its transnationalised setting, and third by investigating the interpretation and re-interpretation of 'national' interests by key political actors.

The case chosen is the national conflict in Ireland in the context of transnational integration in the European Union. In Ireland the two global tendencies - of national division and transnational integration - are focussed to a high degree of intensity. The transnational integrative process is at its most advanced in the European Community which, in 1993, became the 'European Union', one of the most ambitious examples of inter-state and trans-state regional integration to date. The national conflict in Ireland meanwhile, is more deeply entrenched than in any other Western European state and was, until the IRA ceasefire on 31 August 1994, the most highly militarised conflict in Western Europe.

This study suggests that the relationships between transnational integration and national conflict are becoming a defining factor in Ireland's political development and that such relationships also pattern developments in the wider EU. Indeed, to the extent that the process of EU integration is seen as an antidote to nationalism in Western Europe, the impact of the EU in Ireland's national conflict could be interpreted as a test case of EU integration.